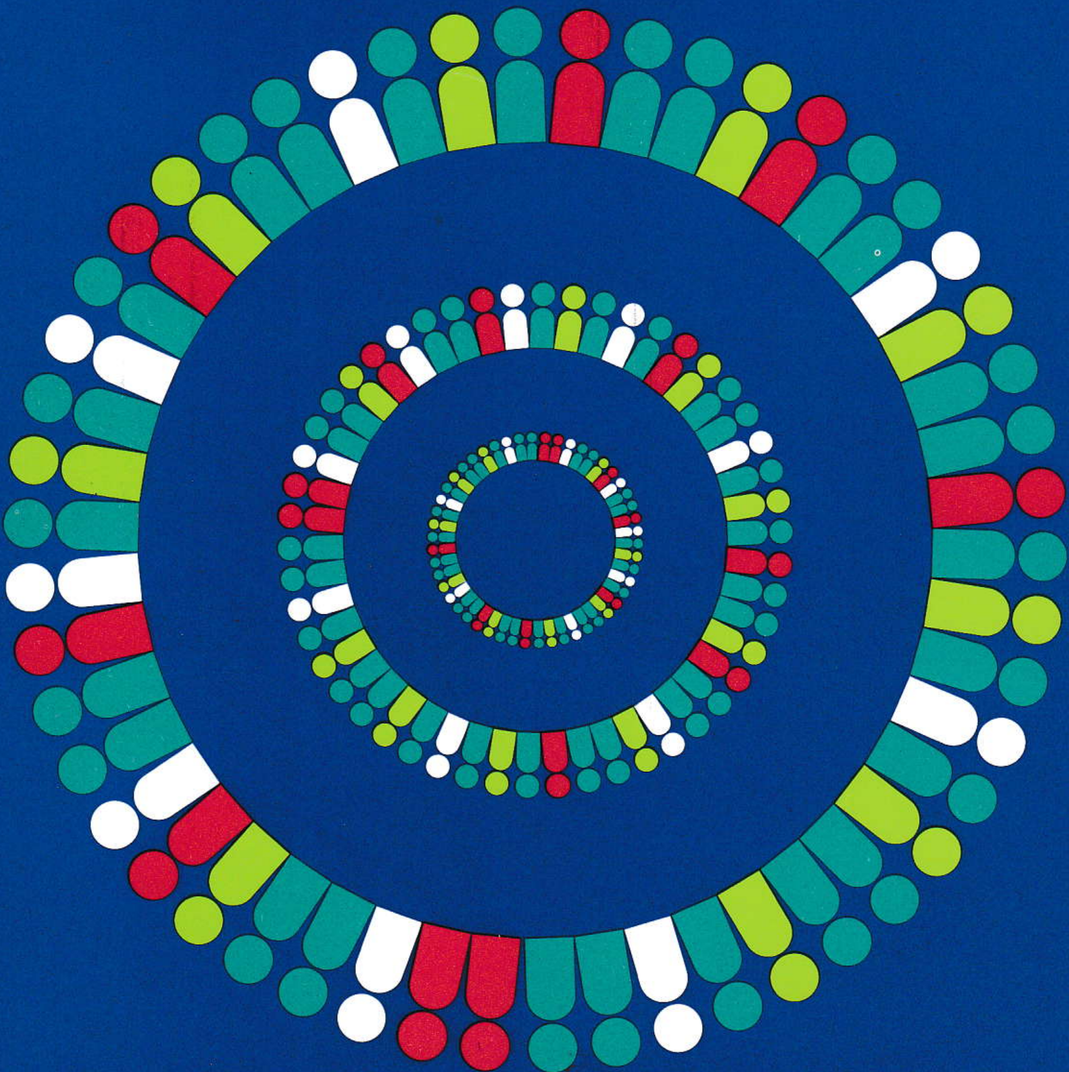
UHY Hassan Naeem & Co.
Chartered Accountants

M.M. Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2023



Passion Beyond Numbers

ایم ایم سیکیوریٹیز (پرائیویٹ) لمیٹڈ

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

اسلام وعلیکم

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 جون 2023 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 :

کاروباری نتائج	2022-2023	2021-2022
	(رقم روپے میں)	
آمدنی	6,432,126	10,088,600
دیگر کاروباری اخراجات	(19,920,435)	(26,148,121)
دیگر منافع / (نقصان)	(8,201,953)	(31,385,798)
قبل از ٹیکس منافع / (نقصان)	(21,690,262)	(47,445,319)
ٹیکس	(97,427)	(160,235)
بعد از ٹیکس منافع / (نقصان)	(21,787,689)	(47,605,554)

کمپنی کی آمدنی 10,089 ملین روپے (2021-22) سے کم ہو کر 6,432 ملین روپے (2022-23) ہو گئی ہے۔ مالیاتی اخراجات جو 26.148 ملین روپے (2021-22) سے کم ہو کر 19.920 ملین روپے (2022-23) ہو گئے ہیں۔ اس سال کا دیگر نقصان 8.202 ملین روپے ہے جب کہ پچھلے سال یہ نقصان 31.386 ملین روپے تھا۔ نقصان قبل از ٹیکس میں بھی 25.818 ملین روپے کی کمی ہوئی ہے جو 47.606 ملین روپے (2021-22) نقصان سے گھٹ کر 21.788 ملین روپے (2022-23) نقصان ہو گیا ہے۔

کے ایس ای ہنڈرڈ انڈیکس سال کے آغاز میں 41,541 پوائنٹس سے سال کے اختتام پر 41,543 پوائنٹس پر زیرِ جائزہ سال کے دوران 2 فیصد بڑھ گیا 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:

سال2023-24 کے لیے کاروباری نقطہ نظر ملک کے لیے اب بھی چیلنجنگ رہے گا۔ ملک کی سیاسی صورتحال اور نگراں حکومت کی جانب سے معاشی اصلاحات۔ کلیدی عنصر ہے اور ایکویٹی مارکیٹ پر سرمایہ کار کے اعتماد اور دلچسپی کو بحال کرنے میں مدد گار ثابت ہو گا۔

آڈیٹر ز 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: 17اکتوبر2023

جناب محمود باقی مولوی
چیف ایگزیکٹو

محترمہ مدیحہ مولوی
ڈائریکٹر

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, 2023.

Economic review:

Devaluation of the Pak rupee has played a critical role in the acceleration of prices of fuel and commodities, due to political instability Pakistan economy has pressurized and faced very difficult time during the year.

Financial Highlights:

A brief financial analysis is presented as under:

Financial Overview	2022-2023	Re-Stated 2021-2022
	Amount in Rupees	
Revenue	6,432,126	10,088,600
Operating & Admin expenses	(19,920,435)	(26,148,121)
Other Income / (Loss)	(8,201,953)	(31,385,798)
Profit / (Loss) before Taxation	(21,690,262)	(47,445,319)
Taxation	(97,427)	(160,235)
Profit / (Loss) After Taxation	(21,787,689)	(47,605,554)

Revenue of the Company decreased by from Rs. 10.089 Million (2021-22) to Rs. 6.432 Million (2022-23). Operating & Admin expenses are decreased by from 26.148 Million (2021-22) to Rs. 19.920 Million (2022-23). Other Income / (Loss) for the year under review is loss of Rs. 8.202 Million as compare to the Loss of Rs. 31.386 Million last year. Profit / (Loss) before taxation are decreased by Rs. 25.818 Million from Loss of Rs. 47.606 Million (2021-22) to the loss of Rs. 21.788 Million (2022-23).

The KSE 100 Index has no significant change during the year under review from 41,540.83 points at the beginning of the year to 41,542.69 points (gain 1.86% 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 CY24 to still remain challenging for the country. The political condition of the country and economic reforms by caretaker Govt. is the key factor and would be helpful to restore the confidence and interest of the investor on equity market.

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, 2023

AA713560

100
Rupees

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روپیہ

SARDAR ALI STAMP VENDOR
Licence # 15, Shop # 54, SITE Market
SITE Karachi

S. SHAHID ALI
Advocate
Leg. # 833
245542

02 OCT 2023

M. M. PERWAIZ ALAM DAWOODI
Karachi Pakistan
Advocate & Notary Public

UNDERTAKING

I, **Mahmood Baqi Moulvi** Chief Executive Officer of **M.M Securities (Private) Limited**, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at 2nd floor, 9-C, Ittehad Lane No. 12, Phase-II Extension, Defence Housing Authority, Karachi, herein after called the "company" do hereby undertake that:

I. There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws;

II. The company is compiled with Corporate Governance Code For Securities Broker as per the criteria specified in **Annexure D** of Securities Brokers (Licensing and Operations) Regulations, 2016;

Date: October 07, 2023

Mahmood Baqi Moulvi
Chief Executive Officer

ATTESTED
M.M. PERWAIZ ALAM DAWOODI
B.Com., M.A., LL.B.
ADVOCATE & NOTARY PUBLIC
KARACHI-PAKISTAN

UHY Hassan Naeem & Co.
Chartered Accountants

402 Progressive Center
Sharah-e-Faisal,
Karachi, Pakistan.

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Web www.uhy-hnco.com

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, 2023** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the 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 enables 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 **Arslan Ahmed.**

UHY Hassan Naeem & Co.

KARACHI
DATE: October 7, 2023
UDIN: AR202310311OhY3da4Rc

M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)	(Restated) 2022 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	**2,393,984**	2,376,933
Intangible assets	5	**2,990,000**	2,990,000
Investment-at fair value through other comprehensive income	6	**11,861,852**	16,398,209
Long term deposits	7	**7,400,315**	7,400,315
		24,646,151	29,165,457
CURRENT ASSETS			
Trade debts	8	**712,495**	332,780
Investment-at fair value through profit and loss account	9	**15,758,645**	28,875,024
Advances, deposits, prepayments & other receivables	10	**42,382,401**	51,731,750
Cash and bank balances	11	**16,955,167**	17,754,038
		75,808,708	98,693,592
		100,454,859	127,859,049
SHARE CAPITAL AND RESERVES			
Authorized capital	12.1	**200,000,000**	200,000,000
Share capital			
Issued, subscribed and paid-up capital	12.2	**155,000,000**	155,000,000
Capital Reserves			
Surplus / (Deficit) - Investment at FVTOCI		**(4,138,146)**	398,211
Actuarial gain/(loss) on defined benefit		**(363,717)**	(353,203)
Revenue reserves			
Accumulated Profit/(Loss)		**(69,658,162)**	(47,870,473)
		80,839,975	107,174,535
NON-CURRENT LIABILITIES			
Staff Retirement Benefits - Gratuity	13	**2,770,450**	2,572,233
		2,770,450	2,572,233
CURRENT LIABILITIES			
Trade and other payable	14	**16,844,434**	18,112,281
		16,844,434	18,112,281
Contingencies and commitments	15		
		100,454,859	127,859,049

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, 2023

	Note	2023 *(Rupees)*	*(Restated)* 2022 *(Rupees)*
Revenue from contract with customers	**16**	**6,432,126**	10,088,600
Operating and administrative expenses	**17**	**(19,920,435)**	(26,148,121)
Other income	**18**	**(8,201,953)**	(31,385,798)
NET PROFIT/ (LOSS) BEFORE TAXATION		**(21,690,262)**	(47,445,319)
Taxation	**19**	**(97,427)**	(160,235)
NET PROFIT/(LOSS) AFTER TAXATION		**(21,787,689)**	(47,605,554)

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, 2023

	2023 (Rupees)	(Restated) 2022 (Rupees)
Loss for the year	**(21,787,689)**	(47,605,554)
Other Comprehensive Loss:		
Items that will not be subsequently reclassified in profit or loss		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	**(4,536,357)**	(19,363,672)
Actuarial gain/(loss) on defined benefit obligation	**(10,514)**	(353,203)
	(4,546,871)	(19,716,875)
TOTAL COMPREHENSIVE LOSS	**(26,334,560)**	(67,322,429)

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

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Chief Executive **Director**

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

	Share capital	Capital Reserves		Revenue Reserves	
	Issued, subscribed and paid-up capital	Surplus / (Deficit) - Investment at FVTOCI	Actuarial gain/ (loss) on defined benefit	Accumulated Profit/(Loss)	Total
	-Rupees-				
Balance as at June 30, 2021	155,000,000	19,761,883	-	(264,919)	174,496,964
Net Loss for the year - Restated	-	-	-	(47,605,554)	(47,605,554)
Other Comprehensive Loss - Restated	-	(19,363,672)	(353,203)	-	(19,716,875)
Balance as at June 30, 2022	**155,000,000**	**398,211**	**(353,203)**	**(47,870,473)**	**107,174,535**
Net Loss for the year	-	-	-	(21,787,689)	(21,787,689)
Other comprehensive loss	-	(4,536,357)	(10,514)	-	(4,546,871)
Balance as at June 30, 2023	**155,000,000**	**(4,138,146)**	**(363,717)**	**(69,658,162)**	**80,839,975**

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

Chief Executive

Director

M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 *(Rupees)*	2022 *(Rupees)*
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		**(21,690,262)**	(47,790,289)
Adjustment for non-cash items:			
Depreciation		**272,116**	265,177
Loss allowance		**(698,852)**	1,189,695
Unrealized (gain)/loss on Investment at fair value through P&L		**13,116,379**	33,894,079
Gain/(Loss) on sale of property and equipment		**21,663**	-
Provision for gratuity		**694,411**	1,146,750
Operating profit before working capital changes		**13,405,717**	36,495,701
Changes in working capital			
Decrease / (increase) in trade debts		**319,137**	20,808,739
Decrease / (increase) in advances, deposits and prepayments		**9,452,511**	6,793,824
(Decrease) / increase in trade and other payable		**(1,267,847)**	(19,665,487)
Net changes in working capital		**8,503,801**	7,937,076
Taxes paid		**(200,589)**	(561,471)
Gratuity paid		**(506,708)**	(875,167)
Net cash (used in)/generated from operating activities		**(488,041)**	(4,794,150)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition/Disposal of investments - net of sales		**-**	-
Disposal of property and equipment		**20,000**	-
Addition of property and equipment		**(330,830)**	(257,928)
Net cash (used in)/generated from investing activities		**(310,830)**	(257,928)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net cash (used in)/generated from financing activities		**-**	-
Net increase in cash and cash equivalent		**(798,871)**	(5,052,078)
Cash and cash equivalent at beginning of the year		**17,754,038**	22,806,116
Cash and cash equivalent at end of the year		**16,955,167**	17,754,038

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, 2023

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 and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

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

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

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

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

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

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

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

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

3 Summary of Significant Accounting Policies

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

3.1 Taxation

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

Current

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

Deferred Tax

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

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

3.2 Property and Equipment

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

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

3.3 Intangible Assets

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

Trading Right Entitlement Certificate(TREC)

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

Software

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

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

Amortization

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

3.4 Trade debts and other receivables

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

3.5 Provisions

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

3.6 Trade and Other Payable

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

3.7 Revenue recognition

Brokerage Commission, 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.

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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.

3.11 Staff retirement benefits - Defined benefit plan

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

4. PROPERTY AND EQUIPMENT

	2023				
	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	(Rupees)				
As at July 01, 2022					
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)
Net book value at the beginning of the year	181,805	38,694	1,129,254	1,027,180	2,376,933
Changes during the year					
Additions during the year	-	-	86,300	244,530	330,830
Disposals - cost	-	-	(50,500)	-	(50,500)
Depreciation charge for the year	(15,255)	(2,781)	(180,524)	(73,556)	(272,116)
Disposals - Accumulated depreciation	-	-	8,837	-	8,837
Net book value at the end of the year	166,550	35,913	993,367	1,198,154	2,393,984
Analysis of net book value					
As at June 30, 2023					
Cost	630,477	55,615	6,365,825	4,077,486	11,129,403
Accumulated depreciation	(463,927)	(19,702)	(5,372,458)	(2,879,332)	(8,735,419)
Net book value at the end of the year	166,550	35,913	993,367	1,198,154	2,393,984
Depreciation rate (% per annum)	5%	5%	5%	5%	

	2022				
	Office Building	Furniture and fixtures	Computers	Motor vehicles	Total
	(Rupees)				
As at July 01, 2021					
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)
Net book value at the beginning of the year	197,057	41,478	1,308,438	837,209	2,384,182
Changes during the year					
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	-	-	-	-	-
Net book value at the end of the year	181,805	38,694	1,129,254	1,027,180	2,376,933
Analysis of net book value					
As at June 30, 2022					
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)
Net book value at the end of the year	181,805	38,694	1,129,254	1,027,180	2,376,933
Depreciation rate (% per annum)	5%	5%	5%	5%	

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5. INTANGIBLE ASSETS

	2023		
	TREC (Note 5.1)	Booth at PSX	Total
	----(Rupees)----		
As at July 01, 2022			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	490,000	2,990,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	2,500,000	490,000	2,990,000
Analysis of Net Book Value			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2023	2,500,000	490,000	2,990,000
Rate of ammortization per annum (%)	-	-	

	2022		
	TREC (Note 5.1)	Booth at PSX	Total
	----(Rupees)----		
As at July 01, 2021			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	490,000	2,990,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	2,500,000	490,000	2,990,000
Analysis of Net Book Value			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2022	2,500,000	490,000	2,990,000
Rate of ammortization per annum (%)	-	-	

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.

			2023 (Rupees)	2022 (Rupees)

6. INVESTMENT-AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in shares of Pakistan Stock Exchange	6.1	**11,861,852**	16,398,209

6.1 This represents 1,602,953 (2022: 1,602,953) shares of Pakistan Stock Exchange Limited This investment is pledge with PSX against Base Minimum Deposit.

7. LONG-TERM DEPOSITS

Deposits with:

	2023	2022
- National Clearing Company of Pakistan Limited	**1,400,000**	1,400,000
- Pakistan Mercantile Exchange - Deposit	**1,500,315**	1,500,315
- Pakistan Stock Exchange (Base Minimum Capital)	**4,500,000**	4,500,000
	7,400,315	7,400,315

8. TRADE DEBTS

		2023	2022
Trade debts	8.1	**1,263,058**	1,582,195
less: provision for bad debts	8.2	**(550,563)**	(1,249,415)
		712,495	332,780

8.1 The aging analysis of trade debts are as follows:

	2023	2022
Past due 1 - 30 days	**104,825**	367,865
Past due 31 - 180 days	**63,318**	143,691
Past due 181 days - 1 year	**62,868**	151,959
More than one year	**1,032,047**	918,680
	1,263,058	1,582,195

8.2 Provision for expected credit loss

	2023	2022
Opening	**1,249,415**	59,720
Provision recorded during the year	**-**	1,189,695
Less: Reversal of expected credit loss	**(698,852)**	-
	550,563	1,249,415

8.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Shagufta Nazia	662,244	662,244	356,376	-	-	305,868	662,244
Mahmood Baqi Moulvi	84,784	84,784	22,656	-	-	62,128	84,784
M. M. Rice Mill (Private) Limited	3,200	3,200	-	-	-	3,200	3,200
Madiha Mahmood Moulvi	2,045	2,045	1,745	-	-	300	2,045
	752,274	752,274	380,778	-	-	371,496	

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

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 31-180 days	Past due 181-365 days	Past due 365 days	
Shagufta Nazia	-	-	139	600	661,505	662,244
Mahmood Baqi Moulvi	-	-	-	1,900	82,884	84,784
M. M. Rice Mill (Private) Limited	-	-	-	3,200	-	3,200
Madiha Mahmood Moulvi	-	-	-	600	1,445	2,045
	-	**-**	**139**	**6,300**	**745,835**	**752,274**

		2023 (Rupees)	2022 (Rupees)
9. INVESTMENT-AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT			
Investment in quoted securities	**9.1.**	**15,758,645**	28,875,024

9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This investment pledge with Pakistan Stock Exchange Limited amounting to Rs 1,480,000 against Base Minimum Capital. National Clearing Company Pakistan Limited amounting to Rs 14,200,000 against Ready RMS and Future Contract.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2023	2022
Advance tax - net	**13,063,133**	12,959,971
NCCPL- Ready Market Exposure	**14,000,000**	20,000,000
NCCPL- Future Market Exposure	**14,000,000**	18,000,000
Clearing House Deposit	**595,285**	229,950
Loan to staff	**33,806**	10,000
Other receivables	**690,177**	531,829
	42,382,401	51,731,750

11. CASH AND BANK BALANCES

		2023	2022
Cash in hand		**17,644**	7,255
Cash at bank - Current accounts	**11.1**	**16,785,620**	17,601,275
- Saving accounts		**151,903**	145,508
		16,955,167	17,754,038

11.1 Bank balances include customers' bank balances held in designated current bank accounts amounting to Rs. 15.745 million (2022: 12.954 million).

12. SHARE CAPITAL

12.1 Authorized share capital

Authorized share capital comprises of 2,000,000 (2022: 2,000,000) Ordinary shares of Rs. 100 each.

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12.2 Issued, subscribed and paid up capital

	2023 (Rupees)	2022 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	**155,000,000**	155,000,000
	155,000,000	155,000,000

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

2023 (Numbers)	2022 (Numbers)		2023 (Rupees)	2022 (Rupees)
		Ordinary shares		
1,550,000	1,550,000	Ordinary shares of Rs. 100 each paid in cash	**155,000,000**	155,000,000
			155,000,000	155,000,000

12.2.2 Reconciliation of number of shares outstanding

	2023 (Numbers)	2022 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	**1,550,000**	1,550,000
Issued for cash	**-**	-
	1,550,000	1,550,000

	2023	*(Restated)* 2022
	(Rupees)	

13. STAFF RETIREMENT BENEFITS - GRATUITY

The Company operates a unfunded gratuity scheme for its employees. The latest actuarial valuation of the plan was carried out as at June 30, 2023 by using the Projected Unit Credit method.

13.1 Movement in defined benefit obligation

	2023	2022
Opening defined benefit obligation	**2,572,233**	2,292,417
Current service cost	**387,160**	556,015
Interest on Defined Benefit Obligation	**307,251**	245,765
Benefits paid	**(506,708)**	(875,167)
Actuarial (Gains)/Losses	**10,514**	353,203
Closing defined benefit obligation	**2,770,450**	2,572,233

13.2 Expense recognized in the statement of profit or loss

	2023	2022
Current service cost	**387,160**	556,015
Interest cost on defined benefit obligation	**307,251**	245,765
	694,411	801,780

13.3 Remeasurement losses / (gain) recognised in other comprehensive income

	2023	2022
Actuarial gain/(loss) on defined benefit obligation		
- Changes in demographic assumptions	**-**	-
- Changes in financial assumptions	**-**	-
- Changes in experience assumptions	**10,514**	353,203
	10,514	353,203

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13.4 Changes in net liability

Opening net liability	**2,572,233**	2,292,417
Expense chargeable to P&L	**694,411**	801,780
Remeasurements charged in other comprehensive income	**10,514**	353,203
Benefits paid	**(506,708)**	(875,167)
Closing net liability	**2,770,450**	2,572,233
Benefits payable transferred to short term liability	**-**	-
Closing defined benefit obligation	**2,770,450**	2,572,233

13.5 Year end sensitivity analysis on defined benefit obligation

Discount Rate + 1%	**2,375,385**	2,558,433
Discount Rate - 1%	**2,785,326**	2,999,964
Salary Increase + 1%	**2,785,394**	3,000,037
Salary Increase - 1%	**2,375,414**	2,558,464

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

13.6 As of the reporting date, the average duration of the defined benefit obligation is 8 year.

13.7 Principal actuarial assumptions used

Discount rate used for interest cost in profit and loss	**16.25%**	13.25%
Discount rate used for year end obligation	**16.25%**	13.25%
Expected rate of increase in salary level (per annum)	**16.25%**	13.25%
Mortality rates	**SLIC 2001-2005**	SLIC (2001-05)

13.8 The defined benefit obligation exposes the Company to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks:

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

		2023	2022
14.	**TRADE AND OTHER PAYABLE**	*(Rupees)*	
	Credit balance of clients	**15,744,792**	12,953,839
	Accrued Expenses	**1,099,642**	2,219,462
	Payable to NCCPL	**-**	2,938,980
		16,844,434	18,112,281

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

15. CONTINGENCIES AND COMMITMENTS

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

16. REVENUE FROM CONRACT WITH CUSTOMERS

	2023	2022
Commission income	**7,269,398**	11,400,118
Less: Sales Tax	**(837,272)**	(1,311,518)
	6,432,126	10,088,600

			2023	*(Restated)* 2022
			(Rupees)	
17.	**OPERATING AND ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits		**12,740,424**	16,203,092
	Conveyance & travelling		**610,976**	879,192
	Printing, stationary and periodicals		**31,689**	35,073
	Utilities		**111,507**	490,698
	Communication expense		**1,184,489**	1,110,548
	Rent, rates and taxes		**97,224**	26,300
	Transaction charges		**868,124**	294,028
	Fees and subscription		**252,965**	216,519
	Repair and maintenance		**1,604,253**	2,595,231
	Depreciation		**272,116**	265,177
	Commission expense		**1,263,285**	1,596,907
	Expected credit loss		**-**	1,189,695
	Insurance		**373,295**	513,993
	Entertainment		**1,800**	10,342
	Legal and professional		**147,602**	411,199
	Auditors' remuneration	17.1	**230,000**	227,000
	Bank charges		**6,713**	3,664
	Miscellaneous		**123,973**	79,463
			19,920,435	26,148,121
17.1	**Auditor's Remuneration**			
	Annual Audit fee		**230,000**	227,000
			230,000	227,000
18.	**OTHER INCOME**			
	Capital gain/(loss) on investment through P&L		**(13,116,379)**	(33,894,079)
	Proft on margin deposits		**4,215,445**	2,135,782
	Income from dividend		**-**	360,591
	Reversal of expected credit loss	8.2	**698,852**	-
	Gain/(Loss) on sale of property and equipment		**(21,663)**	-
	Interest income		**21,792**	11,908
			(8,201,953)	(31,385,798)

19. TAXATION

	2023 (Rupees)	2022 (Rupees)

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

Provision for taxation	2023 (Rupees)	2022 (Rupees)
- Current year	**97,427**	160,235
- Prior year	**-**	-
- Deferred tax	**-**	-
Net tax charge	**97,427**	160,235

19.1. The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 17.681 million (2022: 15.416) will arise. However, as there is continous losses on account of operating income therefore deferred tax asset has not been recorded.

19.2 Relationship between tax expense and accounting profit

	2023 (Rupees)	2022 (Rupees)
Profit/(loss) before taxation	**(21,690,262)**	(47,445,319)
Tax at the applicable rate 29% (2022: 29%)	**(6,290,176)**	(13,759,143)
Tax effect of income taxed under FTR	**3,803,750**	9,670,333
Permanent differences	**97,427**	-
Deffered tax asset not recognized	**2,486,426**	4,349,086
	97,427	260,276

20. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

20.1. Financial instrument by category

20.1.1 Financial assets

	2023			
	At fair value through profit or loss account	**At fair value through OCI**	**At Amortized Cost**	**Total**
Long term deposits	-	-	**7,400,315**	**7,400,315**
Investment at fair value thorugh OCI	-	**11,861,852**	-	**11,861,852**
Investment at fair value through P&L	**15,758,645**	-	-	**15,758,645**
Trade debts	-	-	**712,495**	-
Advances, deposits and prepayments	-	-	**42,382,401**	**42,382,401**
Cash and bank balances	-	-	**16,955,167**	**16,955,167**
	15,758,645	**11,861,852**	**67,450,378**	**94,358,380**

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	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 thorugh OCI	-	16,398,209	-	16,398,209
Investment at fair value through P&L	28,875,024	-	-	28,875,024
Trade debts		-	332,780	332,780
Advances, deposits and prepayments	-	-	51,731,750	51,731,750
Bank balances	-	-	17,754,038	17,754,038
	28,875,024	16,398,209	77,218,883	122,492,116

20.1.2 Financial Liabilities at amortized cost

	2023	
	Amount	Total
Trade and other Payables	**16,844,434**	**16,844,434**
	16,844,434	**16,844,434**

	2022	
	Amount	Total
Trade and other Payables	18,112,281	18,112,281
	18,112,281	18,112,281

20.2. Financial risk management

The company primarily invests in marketable securities and are subject to varying degress 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
Liquidty 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 in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company 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:

	2023	2022
	(Rupees)	
Long term deposits	**7,400,315**	7,400,315
Investment at fair value through other comprehensive income	**11,861,852**	16,398,209
Investment at fair value through Profit and Loss Account	**15,758,645**	28,875,024
Advances, deposits, prepayments and other receivable	**29,319,268**	38,771,779
Trade debts	**712,495**	332,780
Bank Balances	**16,937,523**	17,746,783
	81,990,098	109,524,890

20.2.2 Bank Balances

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

	2023	2022
	Rupees	
AAA	**16,865,397**	17,686,388
AA+	**11,811**	12,545
A+	**35,004**	25,004
AA-	**25,312**	22,846
	16,937,523	17,746,783

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.

	2023				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	**16,844,434**	**16,844,434**	**16,844,434**	-	-
	16,844,434	**16,844,434**	**16,844,434**	-	-

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	2022				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	18,112,281	18,112,281	18,112,281	-	-
	18,112,281	18,112,281	18,112,281		-

On the balance sheet date, the company has cash and bank balances of Rs.16.955 million (2022: 17.754 million) and investments of Rs 27.620 million (2022: 45.273 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 intrest 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 insturment 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 uncertainities about the future value of investment securities. The company manages the equity price through diversification and all instruments are made thorugh 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:

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	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2023	**1,575,865**	**(1,575,865)**
as at 30th June 2022	2,887,502	(2,887,502)

20.3 Fair value of Financial instruments

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

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

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

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

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

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

		2023	
	Level 1	**Level 2**	**Level 3**
	----------------------	**(Rupees)**	----------------------
Investment in quoted securities	**27,620,497**	**-**	**-**
	27,620,497	**-**	**-**

		2022	
	Level 1	Level 2	Level 3
	----------------------	(Rupees)	----------------------
Investment in quoted securities	27,620,497	-	-
	27,620,497	-	-

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 strucuture in order to ensure ample avilability of finance for its exsisting operations, for maxmizing sharholder's value, for tapping potential investment opporitunites 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. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	1,680,000	1,080,000	3,300,000	1,680,000	1,440,000	4,800,000
Bonus			150,000			400,000
	1,680,000	1,080,000	3,450,000	1,680,000	1,440,000	5,200,000
Number of persons (including those who worked part of the year)	1	1	2	1	1	3

22. RELATED PARTY TRANSACTIONS

Related parties comprise associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Mahmood Baqi Moulvi	CEO/Shareholder	Receivable / (Payable)	**62,128**	82,884
Mahmood Baqi Moulvi	CEO/Shareholder	Remuneration	**1,680,000**	1,680,000
Madiha Mahmood Moulvi	Director/Shareholder	Receivable / (Payable)	**300**	1,445
Madiha Mahmood Moulvi	Director/Shareholder	Remuneration	**1,080,000**	1,440,000
Shagufta Nazia	Director of associate companies	Receivable / (Payable)	**305,868**	661,505
M. M. Rice Mill (Private) Limited	Associate company	Receivable / (Payable)	**3,200**	-
Mahwish Moulvi	Daughter of CEO/Shareholder	Receivable / (Payable)	**(28,027)**	(28,027)
Yousaf Moulvi	Brother of CEO/Shareholder	Receivable / (Payable)	**(268)**	(468)
Nadeem Baqi Moulvi	Brother of CEO/Shareholder	Receivable / (Payable)	**(4,513)**	(4,513)

23. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Assets			
1.1	Property & Equipment	2,393,984	2,393,984	-
1.2	Intangible Assets	2,990,000	2,990,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	27,620,497	15,519,039	12,101,458
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	7,400,315	7,400,315	-
1.9	Margin deposits with exchange and clearing house.	28,000,000	-	28,000,000
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	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-

1.15	**Advances and receivables other than trade receiveables;**			
	(i) Short term loan to employees	33,806	33,806	-
	(ii) Advance tax	13,063,133	13,063,133	-
	(iii) Other cases	690,177	690,177	-
1.16	Receivables from clearing house or securities exchange(s)	595,285	-	595,285
1.17	**Receivables from customers**			
	i. Trade receivables not more than 5 days overdue	29,284	-	29,284
	ii. Trade receivables are overdue, or 5 days or more	481,500	180,801	300,699
	iii. Trade receivables from related parties.	752,274	752,274	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietory accounts	1,008,196	-	1,008,196
	ii. Bank balance-customer accounts	15,929,327	-	15,929,327
	iii. Cash in hand	17,644	-	17,644
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	Total Assets	**101,005,422**		**57,981,893**

Liabilities

2.1	**Trade Payables**			
	i. Payable to customers	15,744,792	-	15,744,792
2.2	**Current Liabilities**			
	i. Accruals and other payables	1,099,642	-	1,099,642
2.3	**Non-Current Liabilities**			
	i. Staff retirement benefits	2,770,450	-	2,770,450
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
	Total Liabilites	**19,614,884**		**19,614,884**

Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	2,087,093	2,087,093
3.9	Opening Positions in futures and options	-	-	-
3.10	Short selll positions	-	-	-
	Total Ranking Liabilites	**-**	**-**	**2,087,093**
	Grand Total	**81,390,538**	**-**	**36,279,917**

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24. CORRECTION OF A PRIOR PERIOD ERROR

Employee Benefits- IAS 19

As per the International Accounting Standard (IAS) 19 Employee Benefits , an entity operating a defined benefit plan for its employees is required to use the projected unit credit method to measure its defined benefit obligation using an actuarial technique. The method requires the entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will affect the cost of the benefit.

However, up to the last year, the Company had been measuring its defined benefit obligation using the projected unit credit method without considering the actuarial assumptions about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs).

During the year, the Company engaged M/s. TRT Associates to carryout the actuarial valuation of its defined benefit gratuity plan as at June 30, 2022 and 2023. In these financial statements, the effects of the said actuarial valuation have been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the all corresponding figures affected by the errors have been restated.

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

Statement of profit or loss
For the year ended 2022

	Impact of corrections of errors		
	As Previously Reported	**Income Increase/ (Decrease)**	**30-Jun-22 (Restated)**
	-----------------Rupees-----------------		
Operating and administrative expenses	24,896,184	1,251,937	26,148,121
Net Profit/ (Loss) Before Taxation	(47,790,289)	344,970	(47,445,319)
Taxation	(160,235)	-	(160,235)
Net Profit/(Loss) After Taxation	(47,950,524)	344,970	(47,605,554)

Statement of financial position
As at 30 June 2022

	30-Jul-22	**Increase/ (Decrease)**	**30-Jun-22** *(Restated)*
	-----------------Rupees-----------------		
Staff Retirement Benefits - Gratuity	2,564,000	8,233	2,572,233
Actuarial gain/(loss) on defined benefit obligation	-	(353,203)	(353,203)
Accumulated Profit/(Loss)	(48,215,443)	344,970	(47,870,473)
Net impact on equity		8,233	

25. CAPITAL ADEQUACY LEVEL

	2023 (Rupees)	2022 (Rupees)
Total Assets	**100,454,859**	127,859,049
Less: Total Liabilities	**(19,614,884)**	(20,684,514)
Less: Revaluation Reserves	**-**	-
Capital Adequacy Level	**80,839,975**	107,174,535

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 2023 determined by Pakistan Stock Exchange has been considered.

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

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

26.1 Pattern of Shareholding

	2023	2022	2023	2022
	% of Holding		Number of Shares	
Mahmood Baqi Moulvi (CEO)	**20.10%**	20.10%	**311,550**	311,550
Madiha Mahmood Moulvi (Director)	**79.90%**	79.90%	**1,238,450**	1,238,450
	100.00%	100.00%	**1,550,000**	1,550,000

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

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

26.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 281.704 million (June 30, 2022: Rs. 374.768 million).

27. NUMBER OF EMPLOYEES

	2023	2022
	(Number of employees)	
Total number of employees at 30th June.	**14**	16
Average Number of employees	**14**	18

28. CORREPONDING FIGURES

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

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29. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorised for issue on 07 OCT 2023.

Chief Executive

Director

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UHY INTERNATIONAL

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