SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
A Member firm of
PrimeGlobal | An Association of Independent Accounting Firms

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Sakarwala Capital 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 comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (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.

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

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Other Matter(s)

The financial statements of the Company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 01, 2021 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi :
Dated : October 06, 2022
DUIN : AR2022102328bzKvREVO

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Sakarwala Capital Securities (Pvt) Ltd.

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		---------Rupees---------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	26,530,613	30,189,018
Investment property	5	49,500,000	49,500,000
Intangible assets	6	3,250,000	3,250,000
Long term investment	7	19,467,209	42,454,881
Long term deposits	8	4,010,000	4,010,000
		102,757,827	129,403,900
CURRENT ASSETS			
Trade debts - unsecured	9	6,743,399	17,383,232
Short term investment	10	13,410,465	4,158,250
Investment in margin financing	11	5,847,905	12,594,263
Advances, deposits, prepayments and other receivables	12	22,452,249	22,312,904
Cash and bank balances	13	118,868,496	138,635,542
		167,322,514	195,084,191
TOTAL ASSETS		270,080,341	324,488,091
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	14	100,000,000	100,000,000
Issued, subscribed and paid-up capital	14	50,000,000	50,000,000
Capital Reserve			
General reserve		2,720,820	2,720,820
Surplus on revaluation of property and equipment	15	20,414,726	22,682,744
		23,135,546	25,403,564
Revenue Reserve			
Unappropriated profit		118,004,554	117,946,077
Surplus on re-measurement of equity investment at FVOCI		2,247,440	25,235,111
		120,251,994	143,181,188
Total equity		193,387,540	218,584,752
NON-CURRENT LIABILITIES			
Long term loan	16	5,692,682	5,385,748
CURRENT LIABILITIES			
Trade and other payable	17	71,000,119	100,517,591
TOTAL EQUITY AND LIABILITIES		270,080,341	324,488,091
Contingencies and commitments	18	-	-

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

Chief Executive

G.M. Sakarwala
Director

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Sakarwala Capital Securities (Pvt) Ltd.

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

	Note	2022	2021
		---------Rupees---------	
Operating revenue	19	27,876,088	47,963,248
Capital gain on sale of investments - net		911,762	6,032,535
Unrealised gain on re-measurement of investments at FVTPL		561,760	-
Dividend income		711,136	-
		30,060,746	53,995,783
Operating and administrative expenses	20	(43,067,264)	(54,087,048)
Financial charges	21	(355,603)	(409,811)
Other income	22	11,570,465	57,149,181
(Loss)/profit before taxation		(1,791,656)	56,648,105
Taxation	23	(418,141)	(719,449)
(Loss)/profit after taxation		(2,209,797)	55,928,657
(Loss)/Earning per share - Basic and Diluted		(4.42)	111.86

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

Chief Executive

G.M. Sakarwala

Director

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Sakarwala Capital Securities (Pvt) Ltd.

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

	2022	2021
	---------Rupees---------	
(Loss)/profit for the year	(2,209,797)	55,928,657
Other comprehensive income:		
Items that will not not be reclassified subsequently to profit or loss		
Unrealised (loss)/gain on re-measurement of Investment at FVOCI	(22,987,671)	23,615,646
Total comprehensive (Loss)/Income for the year	(25,197,468)	79,544,303

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

Chief Executive

G.M. Sakarwala
Director

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Sakarwala Capital Securities (Pvt) Ltd.

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Capital Reserve	Unappropriated Profit	Surplus/ (Deficit) on re-measurement of equity Investment at FVOCI	Surplus on revaluation of property and equipment	Total
			-Rupees-			
Balance as at June 30, 2020	50,000,000	2,720,820	59,497,115	1,619,465	-	113,837,400
Other comprehensive Income						
Net profit for the year	-	-	55,928,657	-	-	55,928,657
Unrealised gain on remeasurement of Investment at FVOCI	-	-	-	23,615,646		23,615,646
Revaluation surplus on property and equipment	-	-	-	-	25,203,305	25,203,305
Transfer of incremental depreciation on revaluation surplus	-	-	2,520,305	-	(2,520,305)	-
Total comprehensive income for the year	-	-	58,448,962	23,615,646	22,683,000	104,747,608
Balance as at June 30, 2021	50,000,000	2,720,820	117,946,077	25,235,111	22,683,000	218,585,008
Other comprehensive Income						
Net loss for the year	-	-	(2,209,797)	-	-	(2,209,797)
Unrealised (loss) on remeasurement of Investment at FVOCI	-	-	-	(22,987,671)	-	(22,987,671)
Transfer of incremental depreciation on revaluation surplus	-	-	2,268,274	-	(2,268,274)	-
Total comprehensive income for the year	-	-	58,477	(22,987,671)	(2,268,274)	(25,197,468)
Balance as at June 30, 2022	50,000,000	2,720,820	118,004,554	2,247,440	20,414,726	193,387,540

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

Chief Executive

G M Sakarwala

Director

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SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------Rupees---------	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(1,791,656)	56,648,105
Adjustment for non-cash items:			
Depreciation		3,658,401	3,071,536
Financial charges		355,603	375,401
Gain on revaluation of investment property		-	(49,163,611)
Capital gain on sale of investments - net		(911,762)	(6,032,535)
Unrealised gain on re-measurement of investments at FVTPL		(561,760)	-
Operating (loss)/profit before working capital changes		2,540,481	(51,749,209)
Changes in working capital			
Decrease in trade debts		10,639,833	(6,672,394)
(Increase)/decrease in advances, deposits and prepayments		1,664,981	(2,185,201)
(Increase) in margin financing		6,746,358	(2,022,687)
(Decrease) / increase in trade and other payable		(29,517,473)	44,464,687
Net changes in working capital		(10,466,300)	33,584,405
Financial charges paid		(48,669)	-
Taxes paid		(2,222,465)	(2,214,706)
Net cash (used in)/generated from operating activities		(11,988,609)	36,268,595
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property and equipment		-	(6,284,625)
Short term investment-net		(7,778,437)	1,874,283
Net cash (used in)/generated from investing activities		(7,778,437)	(4,410,342)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in)/generated from financing activities		-	-
Net (decrease)/ increase in cash and cash equivalent		(19,767,046)	31,858,253
Cash and cash equivalent at beginning of the year		138,635,542	106,777,289
Cash and cash equivalent at end of the year		118,868,496	138,635,542

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

Chief Executive

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Sakarwala Capital Securities (Pvt) Ltd.

G.M. Sakarwala
Director

1 Legal Status and Nature of Business

Sakarwala Capital Securities (Private) Limited was incorporated under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced with Companies Act, 2017 ('the Act'). The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is a TREC (Trading Right Entitlement Certificate) holder of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments, securities research, financial consultancy and underwriting.

The address of the company's offices are as follows:

Registered address

- Room No: 114, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

Branch office

- Room No: 130, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
- Room No: 605, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
- Room No: 606, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan, comprise of such International Financial Reporting Standards (IFRS Standards), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the "Act"); and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act,2017 differ from the IFRS standard, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under historical cost convention except, for office building in property and equipment, which have been carried at revalued amount , investment property which have been carried at fair value, long term and short term investment in quoted equity securities which have been carried at their fair values.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards 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, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets

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. Significant areas requiring the use of management estimates in these financial statements relate to the following:

- Property and equipment and depreciation (refer note 3.2 & 4)
- Intangible assets and amortization (note 3.4)
- Taxation (note 3.1)
- Provisions (note 3.6)
- Contingencies (note 18)

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2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

2.5.1 **Standards, amendments and interpretations to existing standards that are not yet effective**

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

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

2.5.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

3.1 **Taxation**

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

Current

Provisions 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 change in prior yeas which arises from assessments/ developments made during the year, if any.

Deffered Tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they arise, based on the laws that have been enacted or substantively enacted by the reporting date.

The company recognizes deferred tax asset to the extent 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 it is no longer probable that related tax benefit will be realized.

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3.2 Property and Equipment

Property and equipment (except for office premises) are stated at cost less accumulated depreciation and impairment losses, if any. Office premises are stated at revalued amount less accumulated depreciation and impairment loss, if any. Office building is stated at revalued amount and revaluation of office building will be conducted every 5 years. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits as associated with the item will flow to the Company and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognised. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Depreciation on all property and equipment is charged to statement of profit or loss using reducing balance method over the asset's useful life at the rates stated in 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 arising on disposal of item of property and equipment are recognized in the statement of profit or loss. The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each reporting date.

3.3 Investment Property

The company's accounting policy for valuation of investment properties is fair value model in accordance with IAS 40 Investment Property.

Valuation of investment property is carried out by qualified independent valuer. The fair value is determined on the basis of professional assessment of current prices in an active market for similar properties in the same location and condition.

3.4 Intangible Assets

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

Trading Rights Entitailment Certificate (TREC)

It is stated at cost less impairment, if any .The carrying amount is reviewed at each reporting date to assess wether it is in excess of its recoverable amount and where the carrying amount exceed estimated recoverable amount ,it is written down to its 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).

3.5 Trade Debts and Other Receivables

Trade debts and other receivables are recognized at fair value and subsequently measure at ammortized 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.

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3.6 Provisions

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

3.7 Trade and Other Payables

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

3.8 Revenue Recognition

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

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

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

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

3.9 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.

3.10 Expenses

All expenses are recognized in the profit and loss account on an accrual basis..

3.11 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.12 Financial Instruments

Initial Recognition of Financial Assets

The Company classifies its financial assets in the following three categories:

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

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.

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Financial assets at FVOCI

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

(a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or

(b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Subsequent Measurement

Financial assets measured at amortized cost.	These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses. Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.
Equity Investments at FVOCI	These are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. On derecognition, gain and losses accumulated in capital reserves are reclassified to unappropriated profit.
Debt Investments at FVOCI	These are subsequently measured at fair value. Interest/markup income is calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognised in other comprehensive income. On derecognition, gain and losses accumulated in other comprehensive income /capital reserves are reclassified to statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in statement of profit or loss.

Non Derivative Financial Assets

Al non derivative financial assets are initially recognized on trade date i.e the date on which the company becomes party to respective contractual provisions. Non derivative financial assets comprise of 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 contactual 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 niether transferred nor retain substantially all of the risk and rewards of ownership amd does not retain control over the transferred assets.

Financial Liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account.Other financial liabilities are carried at amortized cost using effective interest method.

Financial liabilities are initially recognized on the date on which the company becomes party to respective contractual provisions. Financial liabilities include markup bearing loans and trade and other payables.

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

Offsetting of financial assets and financial liabilities

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

Impairment

Financial Assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables
- other short term receivables; and
- receivables from PMEX and NCCPL

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

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

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

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De-recognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

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4. PROPERTY PLANT AND EQUIPMENT

Particulars	Cost: As at July 01, 2021	Cost: Additions	Cost: Transfer from Investment Property	Cost: Revalution as per IAS 16	Cost: As at June 30, 2022	Rate %	Depreciation: As at July 01, 2021	Depreciation: Transfer from Investment Property	Depreciation: For the year	Depreciation: As at June 30, 2022	W.D.V.: As at June 30, 2022
	-----Rupees-----						-----Rupees-----				
Office Building	60,251,957	-	-	-	60,251,957	10%	36,447,262	-	2,380,470	38,827,731	21,424,226
Office Equipment	675,316			-	675,316	20%	606,846		13,694	620,540	54,776
Furniture and fixture	448,299	-		-	448,299	20%	428,621		3,936	432,557	15,742
Vehicles	9,494,455	-		-	9,494,455	20%	3,208,948		1,257,101	4,466,049	5,028,406
Computer Equipment	1,225,241			-	1,225,241	33%	1,214,573		3,200	1,217,773	7,468
June 30, 2022	72,095,268	-	-	-	72,095,268		41,906,250		3,658,401	45,564,650	26,530,618

Particulars	Cost: As at July 01, 2020	Cost: Additions	Cost: Transfer from Investment Property	Cost: Revalution as per IAS 16	Cost: As at June 30, 2021	Rate %	Depreciation: As at July 01, 2020	Depreciation: Transfer from Investment Property	Depreciation: For the year	Depreciation: As at June 30, 2021	W.D.V.: As at June 30, 2021
	-----Rupees-----						-----Rupees-----				
Office Building	30,000,000	-	5,048,908	25,203,049	60,251,957	10%	30,000,000	3,926,957	2,520,305	35,447,262	23,804,695
Office Equipment	675,316			-	675,316	20%	589,728		17,118	606,846	68,470
Furniture and fixture	448,299	-		-	448,299	20%	423,701		4,920	428,621	19,678
Vehicles	3,209,830	6,284,625		-	9,494,455	20%	2,685,009		523,939	3,208,948	6,285,507
Computer Equipment	1,225,241			-	1,225,241	33%	1,209,318		5,254	1,214,573	10,668
June 30, 2021	35,558,686	6,284,625	-	-	72,095,268		34,907,757		3,071,536	41,906,250	30,189,018

4.1 Had there been no revaluation, the net carrying value of office building would be Rs. 454,402 (2021 :Rs. 504,891).

4.2 Last year revaluation was performed by Anjum Adil and Associate, an independent valuer on 21 April, 2021 resulting in surplus amounting Rs. 25,203,049.

5 INVESTMENT PROPERTY

Particulars	Cost: As at July 01, 2021	Cost: Additions	Cost: Transfer to Property and equipment	Cost: Gain as per IAS 40	Cost: As at June 30, 2022	Rate %	Depreciation: As at July 01, 2021	Depreciation: Transfer to Property and equipment	Depreciation: For the year	Depreciation: As at June 30, 2022	W.D.V.: As at June 30, 2022
Shop # 1 Sulaiman Ar	682,673	-	-	49,163,611	49,846,284		346,284	-	-	346,284	49,500,000
June 30, 2022	682,673	-	-	49,163,611	49,846,284		346,284	-	-	346,284	49,500,000

Particulars	Cost: As at July 01, 2020	Cost: Additions	Cost: Transfer to Property and equipment	Cost: Gain as per IAS 40	Cost: As at June 30, 2021	Rate %	Depreciation: As at July 01, 2020	Depreciation: Transfer to Property and equipment	Depreciation: For the year	Depreciation: As at June 30, 2021	W.D.V.: As at June 30, 2021
Office # 605 & 606 Psx Building	5,048,908	-	(5,048,908)	-	-		3,926,957	(3,926,957)		-	-
Shop # 1 Sulaiman Ar	682,673	-		49,163,611	49,846,284	5%	346,284			346,284	49,500,000
June 30, 2021	682,673	-	(5,048,908)	49,163,611	49,846,284		346,284		-	346,284	49,500,000

5.1 The investment property consist of Shop No-S-1, Ground Floor, Sulaiman Arcade, Plot No#11, sub plot S-1, Block No#3, Bihar Muslim Co-operative Housing Society, Sharfabad, Jamal ud din Afghani Road Karachi. The investment property consist of 450 Square feet.

5.2 Last year revaluation was performed by Anjum Adil and Associate, an independent valuer on 21 April, 2021.

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		Note	2022	2021
			---------Rupees---------	
6.	**INTANGBLE ASSETS**			
	Trading Right Entitlement Certificate (TREC)	6.1	2,500,000	2,500,000
	PMEX Membership Card		750,000	750,000
			3,250,000	3,250,000
6.1	Trading Right Entitlement Certificate (TREC)	6.1.1	2,500,000	2,500,000
	Impairment - TREC		-	-
			2,500,000	2,500,000

6.1.1 This represents TREC received by the company in according with the Stock Exchange (Corporatisation, Demutualization and Integration) Act 2012, as ammended by Stock Exchange (Corporatisation, Demutualization and Integration)(Ammedment) Act, 2015. The TRE Certificate is stated cost less accumulated impairment loss (if any).

PSX Vide notice no. PSX/N-225 Dated February 16, 2021 the notional value of Trading Right Entitlement Certificate which amounting to Rs 2.5 millions.

		Note	2022	2021
7.	**LONG TERM INVESTMENT**			
	At fair value through Other comprehensive income			
	Investment in shares of Pakistan Stock Exchange	7.1	19,467,209	42,454,881

7.1 This represents 1,902,953 (2021: 1,902,953) shares of Pakistan Stock Exchange.

		Note	2022	2021
8.	**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
	PMEX Deposit	8.1	2,500,000	2,500,000
	CDC deposit		100,000	100,000
	Other deposits		10,000	10,000
			4,010,000	4,010,000

8.1 This represents deposit placed with Pakistan Mercantile Exchange Limited for taking exposure in regular and future market.

		Note	2022	2021
9.	**TRADE DEBTS - CONSIDERED GOODS**			
	Trade debts	9.1 & 9.2	9,661,580	20,301,413
	Less impairment of trade debts		(2,918,181)	(2,918,181)
			6,743,399	17,383,232
9.1	Aging analysis of related parties balances			
	Not yet due		-	-
	Upto 3 months		1,949	1,296,424
	Between 3 to 6 months		-	490
	Between 6 to 9 months		-	-
	Between 9 to 1 year		-	-
	More than 1 years		-	-
			1,949	1,296,914

This includes balances due from related parties amounting to Rs. 1,949 (2021 Rs. 1,296,914)

9.2 The maximum outstanding balances from related parties is amounting to Rs. 11,137,075 in the month of January 2022.

		Note	2022	2021
9.3	Aging Analysis			
	Upto five days		7,493,584	8,716,977
	More than five days		2,167,996	11,584,436
			9,661,580	20,301,413
10.	**SHORT TERM INVESTMENT**			
	At fair value through profit or loss			
	Investment in quoted securities	10.1	13,410,465	4,158,250

10.1 Investment in various equity shares carried at market value.

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10.2 The details of Securities pledged with PSX and NCCPL are

	Number of Securities	Fair Value Rupees
Client & Directors	1,692,500	203,431,370
Brokerage House	-	-
	1,692,500	203,431,370

10.3 The details of Securities pledged with financial institution are

	Number of Securities	Fair Value Rupees
Client & Directors	196,424	8,482,676
Brokerage House	-	-
	196,424	8,482,676

	Note	2022	2021
		---------Rupees---------	
11. RECEIVABLE IN MARGIN FINANCING			
Receivable in margin financing from clients		5,847,905	12,594,263

11.1 Margin financing facility is provided to clients on markup basis ranging from 0% (2021: 0%) per annum.

12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
Income tax refundable	17,622,971	15,818,645
Nccpl - Future Market Exposure	2,000,000	5,000,000
Nccpl - Future Market Profit/(loss)	1,290,748	736,551
Other Receivable	1,538,530	757,708
	22,452,249	22,312,904

13. CASH AND BANK BALANCES

	Note	2022	2021
Cash at bank			
- Current account		560,676	26,228,541
- Saving account	13.1	118,307,820	112,407,002
		118,868,496	138,635,542

13.1 The interest rate on saving accounts ranges from 6% to 13% per annum.

13.2 This include Rs. 63,373,094 million (2021: 97,304,192) kept in desiginated bank accounts maintained on behalf of clients.

14. SHARE CAPITAL

14.1 AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
Number of Shares			---------Rupees---------	
1,000,000	1,000,000	Ordinary shares of Rs. 100 each	100,000,000	100,000,000

ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		2022	2021
Number of Shares			---------Rupees---------	
500,000	500,000	Ordinary shares of Rs. 100 each fully paid in cash	50,000,000	50,000,000

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14.2 ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		2022	2021
Number of Shares			---------Rupees---------	
500,000	500,000	Ordinary shares of Rs. 100 each fully paid in cash	50,000,000	50,000,000

Pattern of Shareholding

	No of shares	Percentage of Holding
Ghulam Mustafa Sakarwala	90,000	18.00%
Aziza Bano	32,500	6.50%
Ghulam Mujtuba Sakarwala	170,500	34.10%
Munira Sakarwala	90,000	18.00%
Ghulam Murtaza Sakarwala	58,500	11.70%
Ghulam Muhammad Sakarwala	58,500	11.70%
	500,000	100%

No changes in shareholding above 5 %

14.3 There is only one class of shares and all shares rank equally and there are no arrangements among shareholders in respect of voting right, board resolution, right of first refusal and block voting.

	Note	2022	2021
		---------Rupees---------	
15. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT			
Surplus as on July 1		22,682,744	-
Revaluation surplus on office building		-	25,203,049
Transferred to Unappropriated profit on account of:			
- Incremental depreciation - net of tax		(2,268,274)	(2,520,305)
Surplus as on June 30		20,414,470	22,682,744

15.1 This represents surplus on revaluation of office building including in property and equipment adjusted by incremental depreciation on revluation surplus which is presented at revalued amount. Last valuation was performed by Anjum Adil and Associate, an independent valuer on 21 April, 2021 resulting in surplus of amounting Rs. 25,203,049. The company has a policy to carry valuation of office building after every 5 years.

	2022	2021
	---------Rupees---------	
16. LONG TERM LOAN		
Long term loan	5,692,682	5,385,748

16.1 This reprsents loan from director amounting to Rs. 6,850,000 repayable in October 2024 @ 0% markup.

17. TRADE AND OTHER PAYABLE

	Note	2022	2021
Trade payable	17.1.	63,337,070	97,212,161
Accrued expenses		3,166,648	1,967,097
Auditor remuneration		135,000	125,000
Other Liabilities		4,361,401	1,213,333
		71,000,119	100,517,591

17.1 This include trade payable related to amount of Rs. 2,903 (2021 : Rs. 1,793,037) payable to related party.

17.2 196,424 Securities of amounting Rs. 8,482,676 of clients are pledged with Financial Institution.

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

18. CONTINGENCIES AND COMMITMENTS

18.1. There were no contingencies and commitments as at June 30, 2022 (June 30, 2021 : Nil)

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19. REVENUE FROM CONTRACT WITH CUSTOMERS

Brokerage Revenue	19.1	27,876,088	47,963,248

19.1 Breakup of brokerage revenue

- Institutional clients	612,426	275,110
- Retail clients	27,263,662	47,688,138
	27,876,088	47,963,248

19.2 This include brokerage revenue earned from related parties amounting Rs. 15,690 (2021: Rs. 5,000)

20. OPERATING AND OTHER EXPENSES

Salaries and allowances	33,537,366	33,952,674
Printing, stationary and periodicals	36,497	44,843
Utilities	586,405	497,772
Communication Expense	257,191	225,326
Rent, rates and taxes	758,400	624,000
Transaction charges	2,381,912	4,174,773
Repair and maintenance	31,300	6,923,021
Fees and subscription	195,000	175,900
Commission expense	153,969	1,569,232
Insurance	-	136,000
Depreciation	3,658,401	3,071,537
Entertainment	-	500,000
Auditor remuneration	135,000	231,400
Legal and Professional Fee	263,855	391,305
IT services	1,005,166	988,444
Miscellaneous	66,802	580,821
	43,067,264	54,087,048

21. FINANCE COST

Unwinding of long term loan from director	306,934	375,401
Bank charges	48,669	34,410
	355,603	409,811

22. OTHER INCOME

Profit on bank deposits	11,127,834	7,985,192
Gain on investment property	-	49,163,611
Profit on cash margin	397,249	-
Other	45,382	378
	11,570,465	57,149,181

23. 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		418,141	719,449
- Prior year		-	-
- Deferred	19.1	-	-
Net tax charge		418,141	719,449

23.1 The Company has tax losses in the previous years, on which deferred tax asset arises. However, as there is continuous losses on account of operating income therefore deferred tax asset amounting to Rs. 831,151 has not been recorded.

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		2022	2021
23.2	Relationship between tax expense and accounting profit	---------Rupees---------	
	(Loss)/Profit before taxation	(1,791,656)	56,648,106
	Tax at the applicable rate 29% (2021:29%)	(519,580)	16,427,951
	Tax effect of income taxed under FTR	106,670	(1,749,435)
	Deferred tax asset not recognized	831,151	(13,959,067)
		418,241	719,449

24 (LOSS)/EARNING PER SHARE - BASIC AND DILUTED

	2022	2021
(Loss)/Profit for the year (Rupees)	(2,209,797)	55,928,657
Weighted average number of ordinary shares (numbers)	500,000	500,000
(Loss)/earning Per Share - basic and diluted (Rupees)	(4.42)	111.86

25 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTOR

The aggregate amounts charged in these financial statements for remuneration , including benefits to Chief Executive and Directors are as follows.

	Chief Executive		Directors	
	---Rupees---			
	2022	2021	2022	2021
Managerial Remuneration	1,200,000	1,200,000	900,000	750,000
Bonus	300,000	-	225,000	-
Commission				
	1,500,000	1,200,000	1,125,000	750,000
Number of persons	1	1	1	1

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26 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

26.1 Financial instrument by category

26.1.1 Financial assets

	2022			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Financial asset measured at fair value				
Investment at fair value - OCI	-	19,467,209	-	19,467,209
Investment at fair value - P&L	13,410,465	-	-	13,410,465
	13,410,465	19,467,209	-	32,877,674
Financial assets not measured at fair value				
Long term deposits	-	-	4,010,000	4,010,000
Trade debts - unsecured	-	-	6,743,399	6,743,399
Investment in margin financing	-	-	5,847,905	5,847,905
Advances, deposits and	-	-	22,452,249	22,452,249
Bank balances	-	-	118,868,495	118,868,495
	-	-	157,922,048	157,922,048
	13,410,465	19,467,209	157,922,048	190,799,722

	2021			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Financial asset measured at fair value				
Investment at fair value -OCI	-	42,454,881	-	42,454,881
Investment at fair value -P&L	4,158,250	-	-	4,158,250
	4,158,250	42,454,881	-	46,613,131
Financial assets not measured at fair value				
Long term deposits	-	-	4,010,000	4,010,000
Trade debts - unsecured	-	-	17,383,232	17,383,232
Investment in margin financing	-	-	12,594,263	12,594,263
Advances, deposits and	-	-	22,312,904	22,312,904
Bank balances	-	-	138,635,542	138,635,542
	-	-	194,935,941	194,935,941
Bank balances	4,158,250	42,454,881	194,935,941	241,549,072

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26.1.2 Financial Liabilities at amortized cost

	2022	
	Amount	Total
Long term Loan	5,692,682	5,692,682
Trade and other Payables	71,000,119	71,000,119
	5,692,682	5,692,682

	2021	
	Amount	Total
Long term Loan	5,385,748	5,385,748
Trade and other Payables	100,517,591	100,517,591
	5,385,748	5,385,748

26.2 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
Liquidity risk
Market risk
Operational risk

26.2.1 Credit risk

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

Exposure to Credit risk

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

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company 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 investment	19,467,209	42,454,881
Long term deposits	4,010,000	4,010,000
Trade debts - unsecured	6,743,399	17,383,232
Short term investment	13,410,465	4,158,250
Investment in margin financing	5,847,905	12,594,263
Advances, deposits, prepayments and other receivables	22,452,249	22,312,904
Bank Balances	118,868,496	138,635,542
	190,799,723	241,549,072

26.2.1.2 Bank Balances

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

AAA	532,119	1,328,321
AA	118,133,027	123,687,554
A+	203,350	13,619,668
	118,868,495	138,635,543

The credit rating agency are PACRA and JCR-VIS.

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26.2.2. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficent cash and marketable securities, the availability of funding to an adequate amount of committed credit facililities 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					
Long term Loan	5,692,682	5,692,682	-	-	5,692,682
Trade and other payable	71,000,119	71,000,119	71,000,119	-	-
	76,692,800	76,692,800	71,000,119	-	5,692,682

	2021				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term Loan	5,692,682	5,692,682	-	-	5,692,682
Trade and other payable	100,517,591	100,517,591	100,517,591	-	-
	106,210,273	106,210,273	100,517,591	-	5,692,682

26.2.3 Market risk

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

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

Currency risk

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

Interest rate risk

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

Other price risk

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

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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	3,287,767	(3,287,767)
As at 30th June 2021	415,825	(415,825)

26.3 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 32.877 million (2021: 46.6 million) that are recorded at quoted price.

26.4 Capital risk management

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

26.4.1 CAPITAL ADEQUACY LEVEL

	2022	2021
	RUPEES	
Total Assets	270,080,341	324,488,091
Less: Total Liabilities	(76,692,800)	(105,903,339)
Less: Revaluation Reserves	(20,414,726)	(22,682,744)
Capital Adequacy Level	172,972,815	195,902,007

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

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27 LIQUID CAPITAL BALANCE

The below statement has been prepared in accordance with the regulation 6(3) and schedule 3 of the securities broker (Licensing and Operations) Regulation, 2016.

S.No.	Head of Account	Value in Pak Rupee	Hair Cut/ Adjustments	Net Adjusted Value
1	Assets			
1.1	Property & Equipment	76,030,618	100%	-
1.2	Intangible Assets	3,250,000	100%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			-
	If listed than:			-
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		8%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		10%	-
	If unlisted than:			-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.		10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		13%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		15%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	32,877,674	5,515,662	27,362,012
	ii. If unlisted, 100% of carrying value.	-	100%	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	4,010,000	100%	-
1.9	Margin deposits with exchange and clearing house.	2,000,000	-	2,000,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-
1.11	Advance tax ,Other deposits and prepayments	18,913,719	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc (Nil)	1,538,530	-	1,538,530
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100%	-
1.13	Dividends receivables.		-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)		-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months		100%	
	ii. Receivables other than trade receivables		100%	-
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.			
	ii. Receivable on entitlements against trading of securities in all markets including MtM gains.	-		-
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments	5,847,905	1,447,601	4,400,304
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		5%	
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut		-	
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	7,491,634		7,491,634
	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	2,167,996	1,411,234	756,763
	vi. 100% haircut in the case of amount receivable form related parties.	1,949	100%	-
1.18	Cash and Bank balances		-	
	i. Bank Balance-proprietory accounts	55,495,401		55,495,401
	ii. Bank balance-customer accounts	63,373,094	-	63,373,094
	iii. Cash in hand		-	
1.19	Total Assets	272,998,521		162,417,738

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2	**Liabilities**			
2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	63,337,070	-	63,337,070
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	7,663,049	-	7,663,049
	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			
	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.	5,692,682	5,692,682	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP		-	
2.5	Total Liabilites	76,692,801	5,692,682	71,000,120
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.	3,675,507	100%	3,675,507
3.2	Concentration in securites lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
3.3	Net underwriting Commitments			
	(a) in the case of right issuse : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting			
	(b) in any other case : 12.5% of the net underwriting commitments			
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	28,395,029	2,393,112	2,393,112
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts			
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	Total Ranking Liabilites	32,070,536		6,068,619
3.12	Liquid Capital	164,235,183	-	85,348,995

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28 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Broker and Agent Registration Rule, 2001, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June, 2022, the company is required to maintain BMC of Rs. 27,109,101.

	2022
	(Rupees)
Eligible securities value	27,109,101
BMC Requirement	(23,363,042)
Excess	3,746,059

29 RESEARCH ANALYST

The company has neither any research department nor any person employed for research.

30. 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
Transaction with related party		Rupees	
Name of related party	Nature of transaction		
Munira Ghulam Mujtaba	Brokerage commission	15,690	5,000
Balances of related party			
Name of related party	Nature of balances		
Aziza Bano	Trade debtors	195	-
Munira Ghulam Mujtaba	Trade debtors	391	1,966
Ghulam Mujtaba Sakarwala	Trade debtors	995	193,899
Ghulam Mustafa	Trade debtors	332	-
Ghulam Murtaza	Trade debtors	13	1,101,049
Ghulam Muhammad	Trade debtors	23	-
Aziza Bano	Trade Creditors	-	39,639
Munira Ghulam Mujtaba	Trade Creditors	-	809,186
Ghulam Mujtaba Sakarwala	Trade Creditors	-	51,355
Ghulam Mustafa	Trade Creditors	-	20,574
Ghulam Murtaza	Trade Creditors	-	516,135
Ghulam Muhammad	Trade Creditors	2,903	356,174

31. NUMBER OF EMPLOYEES

	2022	2021
	Number of employees	
Total number of employees at 30 June	17	21
Average number of employees during the year	19	20

32. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 06th Oct 2022 by the Board of Directors of the company.

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33. GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

33.1 CORRESPONDING FIGURE

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

Reclassified from	Reclassified from	Amount (Rs.)
Capital gain on investment (Other Income)	Capital gain on investment (Statement of profit or loss)	6,032,535

Chief Executive

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Sakarwala Capital Securities (Pvt) Ltd.

G M Sakarwala

Director