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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
PASHA SECURITIES (PRIVATE) LIMITED**

**Opinion**

We have audited the annexed financial statements of **PASHA SECURITIES (PRIVATE) LIMITED** (the Company) which comprises the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and 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 purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss, other comprehensive loss, changes in equity, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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 is 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.

A handwritten signature in black ink, appearing to be a stylized name or initials, located below the text of the communication.




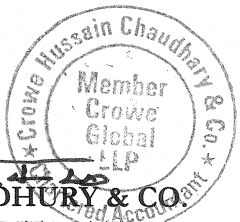
Based on our audit, we further report that in our opinion:

- 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, 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 books of account and returns;
- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Companies 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 requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Act, 2016, and the relevant requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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

Place: Islamabad  
Dated: 25 NOV 2022  
UDIN: AR202210592GpZuAHqBK

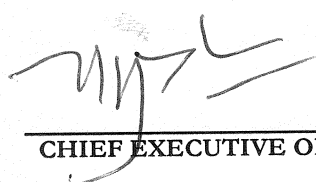
  
CROWE HUSSAIN CHAUDHURY & CO  
(CHARTERED ACCOUNTANTS)

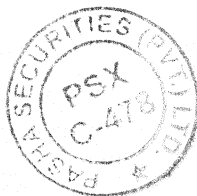


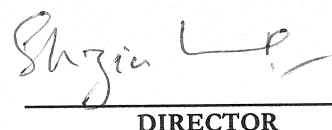
**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE, 2022**

<b>ASSETS</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>----- Pak Rupees-----</b>	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	253,844	311,167
Right of use assets	6	29,741,760	30,981,000
Intangible asset	7	2,500,000	2,500,000
Long term investments	9	52,984,174	50,890,298
Long term deposits	10	500,000	527,200
		<b>85,979,778</b>	<b>85,209,665</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables - net	11	2,961,754	3,103,299
Short term deposits and advances	12	6,423,000	5,645,600
Income tax refundable - Net	13	665,365	463,274
Short term investment	14	2,501,365	2,327,664
Cash and bank balances	15	15,779,362	20,222,968
		<b>28,330,846</b>	<b>31,762,805</b>
		<b>114,310,624</b>	<b>116,972,470</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	16	47,815,800	47,815,800
<b>Revenue reserve</b>			
Unappropriated loss		(7,562,460)	(3,084,599)
<b>Capital reserves</b>			
Surplus on revaluation of right of use asset	17	22,400,568	22,400,568
Fair value reserve	18	18,169,767	16,075,890
		<b>40,570,335</b>	<b>38,476,458</b>
		<b>80,823,675</b>	<b>83,207,659</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	20	4,400,000	3,900,000
Deferred tax liability	21	14,038,595	13,431,371
		<b>18,438,595</b>	<b>17,331,371</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	15,048,354	16,433,440
<b>CONTINGENCIES AND COMMITMENTS</b>	23	-	-
		<b>114,310,624</b>	<b>116,972,470</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**



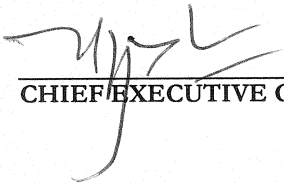
  
**DIRECTOR**

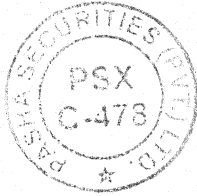
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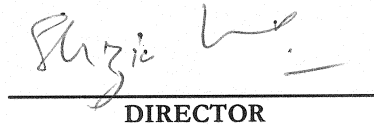
**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 ----- Pak Rupees-----	2021
Revenue	24	4,734,818	12,598,088
Operating and administrative expenses	25	(10,609,020)	(10,664,518)
Operating profit/(loss)		<u>(5,874,202)</u>	<u>1,933,570</u>
Other income	26	2,074,587	2,357,564
<b>Profit (Loss) before taxation</b>		<u>(3,799,615)</u>	<u>4,291,134</u>
Tax expense	27	(71,022)	(170,091)
<b>Profit/(loss) for the year</b>		<u><u>(3,870,637)</u></u>	<u><u>4,121,043</u></u>
<b>(Loss)/earnings per share - basic</b>	28	<u><u>(0.81)</u></u>	<u><u>0.86</u></u>

The annexed notes 1 to 42 form an integral part of these financial statements.

  
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**CHIEF EXECUTIVE OFFICER**



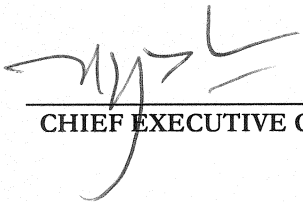
  
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**DIRECTOR**

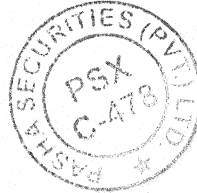
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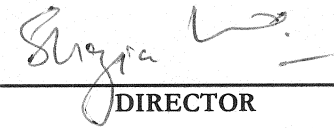
**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	----- Pak Rupees-----	
Profit/(loss) for the year	(3,870,637)	4,121,043
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to P/L</b>		
Fair value gain/(loss) on equity instruments at FVTOCI	2,093,877	14,975,771
Deferred tax	(607,224)	(3,930,457)
	1,486,653	11,045,313
Surplus on revaluation of right of asset	-	3,463,714
Deferred tax	-	(1,004,477)
	-	2,459,237
<b>Other comprehensive income/(loss) for the year</b>	<b>(2,383,984)</b>	<b>17,625,593</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

  
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CHIEF EXECUTIVE OFFICER



  
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DIRECTOR



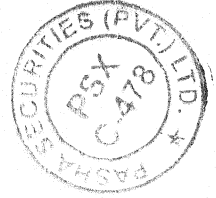
**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022**

	Share capital	Revenue reserve		Capital reserve		Total equity
		Unappropriated profit/(loss)	Surplus on revaluation of right of use asset	Fair value reserve of financial assets at FVOCI		
<b>Balance as at June 30, 2020</b>	47,815,800	(7,205,642)	19,941,330	1,935,280	62,486,768	
Total comprehensive income for the year						
Profit/(loss) for the year	-	4,121,043	-	-	4,121,043	
Other comprehensive income/(loss)	-	-	3,463,714	18,071,067	21,534,781	
Deferred tax	-	-	(1,004,477)	(3,930,457)	(4,934,934)	
<b>Balance as at June 30, 2021</b>	47,815,800	(3,084,599)	22,400,567	16,075,890	83,207,658	
Total comprehensive income for the year						
(Loss)/profit for the year	-	(3,870,637)	-	-	(3,870,637)	
Other comprehensive income/(loss)	-	-	-	2,093,877	2,093,877	
Deferred tax	-	(607,224)	-	(607,224)	(1,214,449)	
<b>Balance as at June 30, 2022</b>	-	(4,477,861)	22,400,567	17,562,543	17,729,681	

----- (Pak Rupees) -----

The annexed notes 1 to 42 form an integral part of these financial statements.

*[Signature]*  
**CHIEF EXECUTIVE OFFICER**



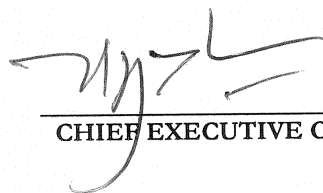
*[Signature]*  
**DIRECTOR**

**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	----- Pak Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(3,799,615)	4,291,134
<b>Adjustments:</b>		
Depreciation and impairment	1,296,562	2,188,158
Dividend income	1,865,800	877,034
	3,162,362	3,065,192
<b>Profit before working capital changes</b>	(637,252)	7,356,326
<b>(Increase)/decrease in current assets</b>		
Trade & Other Receivable	141,545	(699,087)
Deposits, prepayments and other receivable	(777,400)	(2,238,600)
	(635,855)	(2,937,687)
<b>Increase/(decrease) in current liabilities</b>		
Trade and Other payables	(1,385,086)	(3,114,124)
<b>Cash generated from/(used in) operations</b>	(2,658,193)	1,304,515
Dividends received	(1,865,800)	(877,034)
Taxes paid	(273,110)	(103,896)
	(2,138,910)	(980,930)
<b>Net cash (used in) / from operating activities</b>	(4,797,103)	323,585
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment	(173,701)	(621,749)
Decrease/(increase) in long-term deposits	27,200	-
<b>Net cash used in investing activities</b>	(146,501)	(621,749)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Directors loan	500,000	-
<b>Net cash generated from financing activities</b>	500,000	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,443,604)	(298,163)
<b>Cash and cash equivalents at the beginning of the year</b>	20,222,967	20,521,130
<b>Cash and cash equivalents at the end of the year</b>	15,779,362	20,222,967

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The annexed notes 1 to 42 form an integral part of these financial statements.

  
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CHIEF EXECUTIVE OFFICER



  
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DIRECTOR

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

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and operations**

Pasha Securities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on March 15, 2006 under the Companies Ordinance, 1984. The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

The Company's registered office is situated at ISE Towers, Room 711, 7th Floor, 55-B, Jinnah Ave, Blue Area, G 7/2 Blue Area, Islamabad.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017,
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

**2.2 NEW AND REVISED STANDARD AND INTERPETATION**

Standards, Amendments and interpretations to existing standards that are not yet effective and have not been early adopted by company are as follows:

<b>Descriptions</b>		
Presentation of Financial statements (Amendments)	IAS-1	Jan -01-2023
Accounting policies, changes sin accounting estimates and errors (Amendments)	IAS-8	Jan -01-2023
Income taxes (Amendments)	IAS-12	Jan -01-2023
Insurance contracts (Amendments)	IFRS-4	Jan -01-2023
Property, plant and Equipments (Amendments)	IAS-16	Jan -01-2022
Provisions, contingent liabilities and assets (Amendments)	IAS-37	Jan -01-2022
Agriculture (Amendments)	IAS-41	Jan -01-2022
Business combinations (Amendment)	IFRS-3	Jan -01-2022
Financial instruments (Amendments)	IFRS-9	Jan -01-2022
Leases (Amendments)	IFRS-16	Jan -01-2022

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on financial statements other then the impact on Presentation or Disclosures.

Further, the following standards and interpretations have been issued by the international accounting standard bard (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS-1 First time adoption of International financial reporting standard
- IFRS-17 Insurance contracts

The following interpretations issued by the IASB has been waived off by SECP:

- IFRIC-12 Service concession arrangements

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except where disclosed otherwise.

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

**2.4 Functional & Presentation Currency**

These financial statements are presented in Pakistan Rupees( Rs.) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

**2.5 Use of Judgment and Estimates**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1&5;
- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 7;
- Impairment loss of non-financial assets other than inventories – Note 3.5;
- Provision for expected credit losses – Note 3.6;
- Estimation of provisions - Note 3.12;
- Fair value of unquoted equity investments Note:9;
- Classification, recognition, measurement / valuation of financial instruments Note: 3.4 and
- provision for taxation - Note 3.7.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Property and equipment**

**Initial Recognition**

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is direct attributable to the acquisition of the items.

**Subsequent measurement**

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 the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

**Depreciation**

Depreciation on all items of property and equipment is calculated using the reducing balance method except for right of use assets in accordance with the rates specified in note 5 & 6 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed of.

**Disposal**

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

**Judgments and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

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

**Impairment**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Change in estimate**

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

**3.2 Intangible Asset - Acquired**

**TREC Certificate**

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

**Judgments and estimates**

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

**3.3 Leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

**Company as a lessee**

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

In calculating the present value of lease payments, the Company uses its interest rate implicit in the lease at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans.

**Revaluation**

Any revaluation increase arising on the revaluation of right of use asset is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on right of use asset", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of right of use asset is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on right of use asset relating to a previous revaluation of that asset. The whole surplus on revaluation on right of use asset will be transferred to profit or loss when the asset is retired or disposed off.

**3.4 Financial Instruments**

**Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

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.

**Subsequent measurement**

***Debt Investments***

**at FVTOCI**

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

**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 recognised in the statement of profit or loss.

**at FVTPL**

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

***Equity Investments***

**at FVTOCI**

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

**at FVTPL**

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

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**Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets 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 assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks 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 statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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**3.5 Impairment**

**Financial Assets**

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance/provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information. Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. 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. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

**Non-financial assets**

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

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**3.6 Trade Receivable**

**Measurement**

Trade receivable are recognized initially at fair value and subsequently measured at cost less allowance for ECL.

**Impairment**

A provision for impairment of trade debts is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

**Judgments and estimates**

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

**3.7 Taxation**

Income tax expense comprises current and deferred tax.

**Current**

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

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

**Judgment and estimates**

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

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

**Off-setting**

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

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**3.8 Cash and cash equivalents**

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, balances with banks on current and savings accounts and short term investment and running finance.

**3.9 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

**3.10 Share capital**

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

**3.11 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 using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

**3.12 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

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

**Judgment and estimates**

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

**Contingent liabilities**

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

**4 Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses.

Revenue is recognized on the following basis:

**Brokerage Commission**

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

**Income on bank deposits**

Mark-up/interest on bank deposits and return on investments is recognized on accrual basis.

**Profit on exposure deposits**

Profit on exposure deposits is recognized using the effective interest rate.



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**Dividend income**

Dividend income is recognised in profit or loss as other income when:□

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

**Others**

Gain / loss on sale of investment is recognized in the year in which they arise.

**4.1 Borrowings**

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest /mark-up to the extent of the amount unpaid at the reporting date.

**4.2 Fiduciary assets**

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

**4.3 Earnings per share**

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

**4.4 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

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**5 PROPERTY AND EQUIPMENT**

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	----- Rupees -----				
<b>Cost</b>					
Balance as at July 01, 2020	581,495	556,201	610,364	3,603,320	5,351,380
Additions	-	-	-	-	-
Balance as at June 30, 2021	581,495	556,201	610,364	3,603,320	5,351,380
<b>Balance as at July 01, 2021</b>	<b>581,495</b>	<b>556,201</b>	<b>610,364</b>	<b>3,603,320</b>	<b>5,351,380</b>
Additions	-	-	-	-	-
Balance as at June 30, 2022	581,495	556,201	610,364	3,603,320	5,351,380
<b>Depreciation</b>					
Balance as at July 01, 2020	497,680	516,565	513,347	3,441,177	4,968,769
For the period	12,572	11,891	14,553	32,429	71,444
Balance as at June 30, 2021	510,252	528,456	527,899	3,473,606	5,040,213
<b>Balance as at July 01, 2021</b>	<b>510,252</b>	<b>528,456</b>	<b>527,899</b>	<b>3,473,606</b>	<b>5,040,213</b>
For the period	10,686	8,323	12,370	25,943	57,323
Balance as at June 30, 2022	520,939	536,780	540,269	3,499,548	5,097,536
<b>Carrying amount as at June 30, 2022</b>	<b>60,556</b>	<b>19,421</b>	<b>70,095</b>	<b>103,772</b>	<b>253,844</b>
Carrying amount as at June 30, 2021	71,243	27,745	82,465	129,714	311,167
Rate of Depreciation	15%	30%	15%	20%	-

5.1 Depreciation has been allocated to administrative expenses.

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**6 RIGHT OF USE ASSETS**

Set out below is the carrying amounts of right-of-use asset recognised and the movements during the year:

	Note	2022 -----Pak Rupees-----	2021
<b>Net carrying value basis</b>			
As at 1st July		30,981,000	29,634,000
Assets written off		-	-
Balance as at July 01, 2021		30,981,000	29,634,000
Depreciation charged for the year		(1,239,240)	(2,116,714)
Revaluation surplus		-	3,463,714
Closing balance		<u>29,741,760</u>	<u>30,981,000</u>

The Company has lease contract of building for a period of 21 years that is renewable for further 33 years at discretion of the lessor and lessee.

Depreciation on right of use assets has been charged on straight line basis over its remaining useful life to profit or loss.

**6.1 Measurement fair value**

The fair value of the right of use asset is determined by independent suitably qualified valuer. The fair value of the Company's investment property as June 30, 2020 were performed by Messrs. WW Engineering Services (Pvt.) Ltd., who are independent valuers not related to the Company. Messrs. WW Engineering Services (Pvt.) Ltd in on the approved list of Pakistan Banks' Association (PBA) The valuer have appropriate qualifications and recent experience in the fair value measurement of properties.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Forced sale value is Rs. 29,634,000.

**7 INTANGIBLE ASSET**

	Note	2022 -----Pak Rupees-----	2021
Trading Right Entitlement Certificate ("TREC")	7.1&7.2	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

7.1 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs.2.5 million Base Minimum Capital (BMC) requirement.

7.2 Notional values of these Trading Right Entitlement Certificates is Rs. 2.5 million (2021: Rs.2.5 million), as published by PSX.

**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2022 -----Pak Rupees-----	2021
<b>8 FINANCIAL ASSETS OTHER THAN CASH AND BANK</b>			
Equity instruments designated at FVTOCI	9	52,984,174	50,890,298
Financial Assets designated at FVTPL	14	2,501,365	2,327,664
Debt instruments at amortised cost			
- Long term deposits	10	500,000	527,200
- Trade debts - net	11	2,961,754	3,103,299
- Short term advances	12	1,023,000	245,600
- Short term deposits	12	5,400,000	5,400,000
		<u>9,884,754</u>	<u>9,276,099</u>
		<u>65,370,293</u>	<u>62,494,061</u>
<b>9 LONG TERM INVESTMENT AT FVTOCI</b>			
<b>Non-listed Equity Securities</b>			
Opening Balance	9.1	50,890,298	32,819,231
Adjustment for remeasurement to fair value		2,093,877	18,071,067
		<u>52,984,174</u>	<u>50,890,298</u>

- 9.1 Opening balance include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") blocked sub-account .
- 9.2 This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

	Note	2022 -----Pak Rupees-----	2021
<b>10 LONG TERM DEPOSITS</b>			
Central Depository Company Limited		100,000	100,300
National Clearing Company of Pakistan Limited		400,000	400,000
ISE Towers REIT Management Company Limited		-	26,900
		<u>500,000</u>	<u>527,200</u>
10.1 This represents long term deposits held with Central Depository Company Limited.			
10.2 This represents long term deposits held with National Clearing Company of Pakistan Limited.			
<b>11 TRADE AND OTHER RECEIVABLES - NET</b>			
Clients	11.1	3,053,661	3,213,208
Other Receivable	11.2	242,000	223,997
<b>Less: Allowance for expected losses</b>			
Other Clients	11.3	(333,906)	(333,906)
		<u>2,961,754</u>	<u>3,103,299</u>

**PASHA SECURITIES (PRIVATE) LIMITED**  
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**11.1 Aging of Trade receivable**

	2022		2021	
	Clients	Total	Clients	Total
	----- Rupees -----		----- Rupees -----	
Not overdue	-	-	38,824	38,824
Past due less than 5 days	18,262	18,262	-	-
Past due less than 14 days	3,035,023	3,035,023	102,632	102,632
Past due less than 1 year	-	-	2,737,845	2,737,845
Past due over 365 days	-	-	333,906	333,906
<b>Gross trade receivable</b>	<b>3,053,285</b>	<b>3,053,285</b>	<b>3,213,208</b>	<b>3,213,208</b>
Allowance for expected credit losses	-	-	(333,906)	(333,906)
<b>Net trade receivable</b>	<b>3,053,285</b>	<b>3,053,285</b>	<b>2,879,302</b>	<b>2,879,302</b>

11.2 This include amount receivable from NCCPL against trading of securities in all markets which is due for settlement.

	Note	2022	2021
		-----Pak Rupees-----	
<b>11.3 Allowance for expected credit losses</b>			
Balance as at July 1		333,906	643,227
(Income)/ expense charged during the year		-	(309,321)
Closing balance (as at June 30)		333,906	333,906

**12 SHORT TERM DEPOSITS AND ADVANCES**

**Short-term loans and advances**

Advances to employees

1,023,000 245,600

**Short-term deposits**

NCCPL exposure Margin - House

5,400,000 5,400,000

6,423,000 5,645,600

12.1 This represents amount deposits against exposure with National Clearing Company of Pakistan Limited.

**13 INCOME TAX REFUNDABLE - NET**

Opening balance as at July 01

463,274 561,503

Add: Current year provision

(71,022) (202,127)

392,252 359,376

Less: Adjustment against advance tax

273,113 103,898

Balance at the end of the year-Refundable/(payables)

665,365 463,274

**14 SHORT TERM INVESTMET AT FVTPL**

**Listed equity Securities**

14.1

2,501,365 2,327,664

2,501,365 2,327,664

14.1 Fair values of these equity shares are determined by reference to published price quotations in an active market. Loss amounting to Rs. 1,111,514 on above investment has been charged to profit or loss.

**PASHA SECURITIES (PRIVATE) LIMITED**  
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	Note	2022 -----Pak Rupees-----	2021
<b>15 CASH AND BANK BALANCES</b>			
Cash in hand		6,332	3,349
<b>Cash at bank - Local currency</b>			
Current accounts	15.1	15,773,030	20,219,618
		<u>15,779,362</u>	<u>20,222,968</u>

15.1 Cash at bank includes customers' assets in the amount of **PKR 15,773,030** (2021: 20,160,211) held in designated bank accounts.

	2022 -----Pak Rupees-----	2021
<b>16 SHARE CAPITAL</b>		
<b>Authorized capital</b>		
16.1 4,900,000 (2021: 4,900,000) ordinary shares of PKR 10 each.	<u>49,000,000</u>	<u>49,000,000</u>

**16.2 Issued, subscribed and paid-up share capital**

	2022	2021		2022	2021
	<u>4,781,580</u>	<u>4,781,580</u>	Ordinary shares of Rs.10 each, issued for cash	<u>47,815,800</u>	<u>47,815,800</u>

**16.3 Shareholders holding 5% or more of total shareholding**

	Number of Shares		Percentage	
	2022	2021	2022	2021
	Mr. Omer Iqbal Pasha	4,781,531	4,781,531	99.99%

**17 SURPLUS OF REVALUATION OF RIGHT OF USE ASSET**

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of right of use assets carried at revalued amount. The surplus revaluation is presented as a separate capital reserve in the financial statements

	2022 -----Pak Rupees-----	2021
Revaluation surplus as at July 01	22,400,568	19,941,331
Surplus/(deficit) arising on revaluation right of use asset	-	3,463,714
	<u>22,400,568</u>	<u>23,405,045</u>
<b>Related deferred tax effect</b>		
Surplus/(deficit) arising on revaluation right of use asset	-	(1,004,477)
Closing balance net of deferred tax effect	<u>22,400,568</u>	<u>22,400,568</u>

**17.1 Restriction on distribution**

The surplus on revaluation of right of use asset is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	2022 -----Pak Rupees-----	2021
<b>18 CAPITAL RESERVE</b>			
Fair value reserve	18.1	<u>18,169,767</u>	<u>16,075,890</u>

18.1 The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through OCI.

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19 FINANCIAL LIABILITIES		2022	2021
Non-Current	Note	-----Pak Rupees-----	
<b>Financial liabilities at amortised cost</b>			
Loan from director	20	4,400,000	3,900,000
<b>Current</b>			
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	22	15,048,354	16,433,440
		<u>19,448,354</u>	<u>20,333,440</u>
<b>20 LONG TERM FINANCING</b>			
Loan from director	20.1	4,400,000	3,900,000
		<u>4,400,000</u>	<u>3,900,000</u>

20.1 This represents amounts received from Directors of the Company to fund short-term working capital needs. The loan is unsecured, bears no interest, and is repayable on demand of the director.

**21 DEFERRED TAX LIABILITY**

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Note	2022	2021
		-----Pak Rupees-----	
Deferred tax liability		14,225,131	13,617,906
Deferred tax asset		(186,536)	(186,536)
		<u>14,038,595</u>	<u>13,431,371</u>

**21.1 Analysis of change in deferred tax**

Provision for bad debts	(96,833)	(96,833)
Right of use assets	9,149,528	9,149,528
Fair value gain on equity instruments at FVTPL	(89,703)	(89,703)
Fair value gain on equity instruments at OCI	5,075,603	4,468,378
	<u>14,038,595</u>	<u>13,431,371</u>

**22 TRADE AND OTHER PAYABLES**

Trade creditors	14,585,867	15,781,007
Accrued and other payables	288,487	652,433
Audit fee	174,000	-
	<u>15,048,354</u>	<u>16,433,440</u>

**23 CONTINGENCIES AND COMMITMENTS**

23.1 There are no contingencies or commitments of the Company as at June 30, 2022 (2021: Nil)

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24 REVENUE	Note	2022	2021
		-----Pak Rupees-----	
Commission Income Equity Trading		5,492,389	13,282,219
Less: Federal Excise Duty		(757,571)	(684,131)
		<u>4,734,818</u>	<u>12,598,088</u>
<b>25 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Staff salaries, allowances and other benefits		2,409,567	2,563,800
Director's remuneration		3,716,822	3,809,569
Communication expense		407,416	187,220
Postage and courier charges		74,268	28,778
Entertainment		177,716	179,043
Printing and stationery		106,305	30,887
CDC trading charges		36,520	45,622
NCCPL trading charges		14,755	27,406
PSX trading charges		229,071	491,617
Travelling and conveyance		171,800	25,960
Legal and professional charges		34,448	33,498
Repair and maintenance		113,052	145,780
Auditors' remuneration	25.1	174,000	75,000
Rate and taxes		269,000	-
Utilities		831,976	658,404
Advertisement		-	7,050
Misc. expenses		537,906	160,643
Bank and other charges		7,836	6,082
Depreciation		1,296,562	2,188,158
		<u>10,609,020</u>	<u>10,664,518</u>
<b>25.1 Auditor's remuneration</b>			
<b>Audit Services</b>			
Annual audit fee		145,000	46,000
<b>Non-audit services</b>			
Certifications for regulatory purposes		29,000	29,000
		<u>174,000</u>	<u>75,000</u>
<b>26 OTHER INCOME</b>			
Fair value loss on equity instruments at FVTPL		(1,111,514)	-
Dividend income from equity instruments at FVTOCI		1,865,800	877,034
Miscellaneous income		1,320,302	1,480,530
		<u>2,074,587</u>	<u>2,357,564</u>
<b>27 INCOME TAX EXPENSE</b>			
Current Tax		71,022	202,127
Deferred tax		-	(32,036)
		<u>71,022</u>	<u>170,091</u>



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	Note	2022	2021
-----Pak Rupees-----			
<b>27.1 Major components of current tax expense</b>			
Charge for current year		<u>71,022</u>	<u>202,127</u>
<b>27.2 Deferred tax expense on items recognized in profit or loss</b>			
Fair value gain on equity instruments at FVTPL		<u>-</u>	<u>(32,036)</u>
		<u>-</u>	<u>(32,036)</u>

27.3 Numerical reconciliation between accounting profit and tax expense for the year is not possible due to calculation of tax based on minimum tax regime.

**28 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	Note	2022	2021
-----Pak Rupees-----			
(Loss)/profit after taxation, attributable to ordinary shareholders		<u>(3,870,637)</u>	4,121,043
Weighted average number of ordinary shares in issue during the year		<u>4,781,580</u>	4,781,580
<b>Earnings per share</b>		<u>(0.81)</u>	0.86

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

**29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below.

	2022		2021	
	CEO	Director	CEO	Director
	----- Rupees -----		----- Rupees -----	
<b>Short term employee benefits</b>				
Managerial Remuneration	1,320,000	877,800	1,200,000	798,000
Housing and Utilities	896,140	896,139	814,673	814,672
	<u>2,216,140</u>	<u>1,773,939</u>	<u>2,014,673</u>	<u>1,612,672</u>
<b>No. of persons</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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**30 FINANCIAL RISK MANAGEMENT**

**30.1 Risk management framework**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

**30.2 (a) Market risk**

**(i) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. At the reporting date, there were no variable rate interest -bearing financial instruments.

**(iii) Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum exposure to price risk at the reporting date was as follows:

The Company's investment in listed shares amounting to Rupees 2.50 million (2021: Rupees 2.32 million ) is exposed to price risk due to a change in fair value.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivable**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The aging analysis of trade receivable has been disclose in note 11 to these financial statements.

**Other financial assets at amortized cost**

Other financial assets at amortized cost include deposits, short term loans and advances, and other receivables.

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**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances. At 30 June, 2022, the Company had Rupees 15,779,362(2021: Rupees 20,222,968 ) bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
----- Rupees -----				
Contractual maturities of financial liabilities as at June 30, 2022:				
Financial liabilities :				
Long term financing	4,400,000	4,400,000	-	4,400,000
Trade and other payables	15,048,354	15,048,354	15,048,354	-
	<b>19,448,354</b>	<b>19,448,354</b>	<b>15,048,354</b>	<b>4,400,000</b>
Contractual maturities of financial liabilities as at June 30, 2021:				
Financial liabilities :				
Long term financing	3,900,000	3,900,000	-	3,900,000
Trade and other payables	16,433,440	16,433,440	16,433,440	-
	<b>20,333,440</b>	<b>20,333,440</b>	<b>16,433,440</b>	<b>3,900,000</b>

Contractual cash flows include interest related cash flows up to the year end. The future interest related cash flows depends on the extent of utilization of short term borrowings facilities and the interest rates applicable at that time.

**31 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**31.1 Fair value of financial instruments**

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
----- Rupees -----				
<b>Financial Assets</b>				
Non-listed equity investments	52,984,174	52,984,174	50,890,298	50,890,298
short term deposits	5,400,000	5,400,000	5,400,000	5,400,000
Listed equity investments	2,501,365	2,501,365	2,327,664	2,327,664
<b>Total</b>	<b>60,885,539</b>	<b>60,885,539</b>	<b>58,617,962</b>	<b>58,617,962</b>

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, short term finances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

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**Listed equity investments**

There is an active market for the Company's listed equity investments and quoted debt instruments.

**Non-listed equity investments**

The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

**31.2 Measurement hierarchy of financial instruments**

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. The company does not have a financial liability measured at fair value.

	level 1	level 2	level 3	Total
-----Pak Rupees -----				
<b>As at June 30, 2022</b>				
<b>Financial Assets</b>				
Non-listed equity investments	-	-	52,984,174	52,984,174
Listed equity investments	2,501,365	-	-	2,501,365
	<u>2,501,365</u>	<u>-</u>	<u>52,984,174</u>	<u>55,485,539</u>
<b>As at June 30, 2021</b>				
<b>Financial Assets</b>				
Non-listed equity investments	-	-	50,890,298	50,890,298
Listed equity investments	2,327,664	-	-	2,327,664
	<u>2,327,664</u>	<u>-</u>	<u>50,890,298</u>	<u>53,217,962</u>

**31.3 Sensitivity Analysis**

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

	Fair Value	Hypothetical Change	Estimated fair value after hypothetical change	Hypothetical change in shareholder equity	Hypothetical change in Profit / (Loss) after tax
<b>Real Estate Sector</b>					
<b>June 30, 2022</b>					
Non-listed equity securities	52,984,174	10% increase	58,282,592	5,298,417	-
		10% decrease	47,685,757	(5,298,417)	-
<b>June 30, 2021</b>					
Non-listed equity securities	50,890,298	10% increase	55,979,328	5,089,030	-
		10% decrease	45,801,268	(5,089,030)	-

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**31.3 Reconciliation of level 3 fair values**

The following table shows reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

	2022	2021
	-----Pak Rupees-----	
<b>Real Estate Sector</b>		
Balance as at July 01	50,890,298	32,819,231
Remeasurement recognized in OCI	2,093,877	18,071,067
Closing balance	<u>52,984,175</u>	<u>50,890,298</u>

**31.4 Transfers between hierarchy levels**

There were no transfers amongst the levels during the year.

**32 CAPITAL MANAGEMENT**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The total long term borrowings to equity ratio as at year end are as follows:

	Note	2022	2021
		-----Pak Rupees-----	
<b>Debt</b>	20	4,400,000	3,900,000
<b>Equity</b>	16.2	80,823,675	83,207,659
		<u>85,223,675</u>	<u>87,107,659</u>
<b>Debt/equity ratio</b>		<u>5.2%</u>	<u>4.5%</u>

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

**33 CAPITAL ADEQUACY LEVEL AND 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 and to maintain an optimal capital structure.

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Capital adequacy level as required by CDC is calculated as follows;

	Note	2022	2021
		-----Pak Rupees-----	
Total Assets		114,310,624	116,972,470
Less: Total liabilities		33,486,949	33,764,811
Less: revaluation surplus on right of use asset		22,400,568	22,400,568
Capital adequacy level		<u>58,423,107</u>	<u>60,807,091</u>

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

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**34 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, 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, the Company is required to maintain BMC of Rs. 17 million as at June 30, 2022. The Company has pledged TRE Certificate and shares of ISE REIT to meet this requirement.

The notional value of the TREC and break-up value of the shares for the purpose of BMC is determined by the PSX as under:

	Note	2020 Rupees
Trading Right Entitlement Certificates	7	2,500,000
ISE Real Estate Investment Trust shares	9	52,984,174
		<u>55,484,174</u>

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**35 NET CAPITAL BALANCE**

Description	Note	2022 ---Pak Rupees--
<b><u>Current Assets</u></b>		
Cash and bank balances	15	15,779,362
Cash margin with NCCPL	12	5,400,000
Trade receivables	35.2	18,638
Investment in Listed Securities	35.3	2,126,158
Securities purchased for Clients	35.4	2,437,046
Receivable from NCCPL	11	242,000
		26,003,204
<b><u>Current Liabilities</u></b>		
Trade payables	35.5	4,314,125
Other Liabilities	35.6	10,734,229
		15,048,354
<b>Net Capital Balance June 30, 2022</b>		<b>10,954,849</b>

**35.1 Statement of Compliance**

This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.

The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of the Company.

The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash & Bank balances	As per Book Value
Cash Margin with NCCPL	As per Book Value
Trade Receivables	Book value less those overdue for more than 14 days
Securities Purchased for Clients	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
Any other asset as may be specified by the commission	As per the valuation basis determined by the Commission
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

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	2022
	---Pak Rupees--
<b>35.2 Trade Receivable</b>	
Book Value as at June 30, 2022	3,053,661
Less: Overdue for more than 14 days	3,035,023
	18,638
<b>35.3 Investment in listed securities</b>	
Value of shares	2,501,361
Less 15% discount	(375,204)
	2,126,157
<b>35.4 Securities purchased for clients</b>	
These are the securities, purchased for the customers and held by the broker where the payment has not been received within fourteen days	
	2022
	---Pak Rupees--
<b>35.5 Trade payable</b>	
Book Value as at June 30, 2022	14,585,867
Less: Overdue for more than 30 days	10,271,742
	4,314,125
<b>35.6 Other Payable</b>	
Trade payables overdue for more than 30 days	10,271,742
Accrued and other payable	288,487
Audit fee	174,000
	10,734,229



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36 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
<b>1. Assets</b>				
1.1	Property & Equipment	29,995,604	29,995,604	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	<b>Investment in Govt. Securities:</b>			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT - <i>Sale value on the date on the basis of PKRV published by NIFT</i>		-	-
1.4	<b>Investment in Debt. Securities:</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
1.5	<b>Investment in Equity Securities:</b>			
	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.	2,501,365	375,205	2,126,160
	ii. If unlisted, 100% of carrying value.	52,984,174	52,984,174	-
1.6	<b>Investment in subsidiaries:</b>			
	- 100% of net value		-	-
1.7	<b>Investment in associated companies/undertaking:</b>			
	i. If listed 15% or VAR of each securities as computed by the Securities Exchange for respective securities whichever is higher.		-	-
	ii. If unlisted, 100% of net value.		-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity - 100% of net value	500,000	500,000	-
1.9	Margin deposits with exchange and clearing house - Nil Haircut	5,400,000	-	5,400,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil		-	-
1.11	Other deposits and prepayments - 100% haircut of carrying value		-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.: - nil - 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	-
1.13	Dividends receivables: - Nil		-	-
1.14	<b>Amounts receivable against Repo financing:</b>			
	- Amount paid as purchaser under the REPO agreement.			
	- Securities purchased under repo arrangement shall not be included in the investments.			
1.15	<b>Advances and Receivables other than trade receivables:</b>			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	1,023,000	1,023,000	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	665,365	665,365	-
	iii. In all other cases. - 100% of net value		-	-
1.16	<b>Receivables from clearing house or securities exchange(s):</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	242,000	-	242,000

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36 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate if a. value of securities held in the blocked account after applying VAR based Haircut, b. cash deposited as collateral by the Financee and c. 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.</i>		-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet		-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract <i>- Net amount after deducting haircut</i>		-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>- Balance sheet value</i>	18,262	-	18,262
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, b. cash deposited as collateral by the respective customer and c. the market value of securities held as collateral after applying VAR based haircuts. <i>- Lower of net balance sheet value or value determined through adjustments.</i>	3,035,023	597,601	2,437,422
	vi. 100% haircut in the case of amount receivable from related parties.		-	-
1.18	<b>Cash and Bank balances:</b>			
	i. Bank Balance-proprietary accounts	10,981	-	10,981
	ii. Bank balance-customer accounts	15,762,049	-	15,762,049
	iii. Cash in hand	6,332	-	6,332
1.19	<b>Subscription money against investment in IPO/offer for sale (asset):</b>			
	No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. <i>- Net amount after deducting haircuts</i>			
1.20	<b>Total Assets</b>	<b>114,644,155</b>	<b>88,640,949</b>	<b>26,003,206</b>
<b>2. Liabilities</b>				
2.1	<b>Trade Payables:</b>			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	14,585,867	-	14,585,867
2.2	<b>Current Liabilities:</b>			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	462,487	-	462,487
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-

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

36 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
2.3	<b>Non-Current Liabilities:</b>			
	i. Long-Term financing		-	-
	ii. Staff retirement benefits		-	-
	iii. other liabilities as per accounting principles and included in the financial statements		-	-
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.		-	-
	- Nil in all other cases.			
2.4	<b>Subordinated Loans:</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted. In this regard, following <i>conditions</i> are specified:	4,400,000	4,400,000	-
	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.			
2.5	<b>Advance against shares for Increase in Capital of Securities broker:</b>			
	100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital 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.			
2.6	<b>Total Liabilities</b>	<b>19,448,354</b>	<b>4,400,000</b>	<b>15,048,354</b>
<b>3. Ranking Liabilities Relating to:</b>				
3.1	<b>Concentration in Margin Financing:</b>			
	The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	<b>Concentration in securities lending and borrowing:</b>			
	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			
	- Amount as determined through adjustment			
3.3	<b>Net underwriting Commitments:</b>			
	(a) - in the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of:	-	-	-
	(i) the 50% of Haircut multiplied by the underwriting commitments and			
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.			
	- In the case of rights issue: where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment.			
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	- Amount as determined through adjustment			
3.4	<b>Negative equity of subsidiary</b>			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	- Amount as determined through adjustment			
3.5	<b>Foreign exchange agreements and foreign currency positions:</b>			

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

36 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency - Amount as determined through adjustment	-	-	-
3.6	<b>Amount Payable under REPO:</b> - Carrying Value	-	-	-
3.7	<b>Repo adjustment:</b> In the case of financier/purchaser, the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of finance/seller, the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser. - Amount as determined through adjustment	-	-	-
3.8	<b>Concentrated proprietary positions:</b> - 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 - Amount as determined through adjustment	-	-	-
3.9	<b>Opening Positions in futures and options:</b> i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	<b>Short sell positions:</b> i. In case 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. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	-
<b>Total Liquid Capital As At June 30, 2022 (1.20-2.5-3.11)</b>		<b>95,195,800</b>	<b>84,240,949</b>	<b>10,954,852</b>

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	26,003,206
(ii) Less: Adjusted value of liabilities (serial number 2.6)	15,048,354
(iii) Less: Total ranking liabilities (serial number 3.11)	-
	<u>10,954,852</u>

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

**37 SHARES HELD IN CUSTOMERS SUB ACCOUNTS IN CENTRAL DEPOSITORY SYSTEM**

Aggregate value of customer shares held in their sub accounts in Central depository system (Assets under custody) was Rs. 11,532,205 as at June 30, 2022 against assigned maximum custody limit of Rs. 749,593 as at June 30, 2022.

**38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise). Funds kept with related party are shown under bank balances. Amounts due from and due to related parties are shown under receivables and payables. The remuneration of Chief Executive and key management personnel is disclosed in respective note of these financial statements.

Nam of the related party	Nature of relationship	Transactions during the year	2022	2021
			----- Rupees -----	
Omer Iqbal Pasha	Director with % holding	loan repaid	-	(4,168,784)
		loan received	500,000	3,900,000
		<b>Closing balance</b>	<b>4,400,000</b>	<b>3,900,000</b>

**39 CORRESPONDING FIGURES**

The corresponding figures have been rearranged and reclassified, wherever considered necessary. However, these changes do not have any material impact over previously reported figures.

**40 EVENTS AFTER REPORTING DATE**

There were no subsequent events that may require adjustment or disclosure in the financial statements as at reporting date.

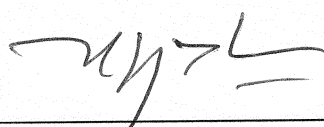
**41 GENERAL**

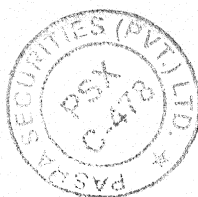
**41.1** The figures have been rounded off to the nearest Rupee.

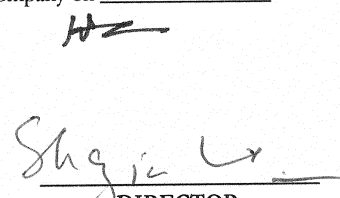
	2022	2021
<b>41.2</b> Number of persons employed	5	5
Average number employees during the year	5	5

**42 DATE OF AUTHORIZATION**

These financial statements have been authorized by the Board of Directors of the Company on \_\_\_\_\_.

  
 CHIEF EXECUTIVE OFFICER



  
 DIRECTOR