

**Pasha Securities (Private) Limited**  
**Audited Financial Statements**  
**FY Ended 30 June, 2023**



## INDEPENDENT AUDITOR'S REPORT

To the members of PASHA SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements PASHA SECURITIES (PRIVATE) LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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, 2023 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

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

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

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

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

### Lahore Office:

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Tel: 042-35754821-22, Fax: 042-36317513, Email: nasirgulzar@njmi.net

### Karachi Office:

Office No. 807, 8th Floor, Q.M. House, Plot No. 11/2, Ellander Road,  
Opposite to Shaheen Complex, Off. I.I Chundrigar Road.  
Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515, Email: khi@njmi.net



**CPAAI**

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

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

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





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the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) the securities broker was in compliance with the requirements of section 78 of Securities Act, 2015 and section 62 of the Futures Act, and the relevant requirement of these regulations as at the date on which the statement of financial position was prepared.
- d) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- e) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

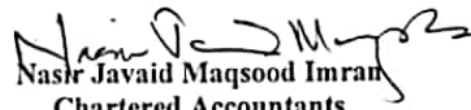

#### **Other Matter Paragraph**

The financial Statements of the company for the year ended 30 June, 2022 were audited by another auditor who expressed an unmodified opinion in their report dated 25 November, 2022.

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

Place: Islamabad  
Date: 31 October 2023

UDIN: AR202310163zk3inKZhU

  
Nasir Javaid Maqsood Imran  
Chartered Accountants  


**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE, 2023**

		2023	Restated 2022
	Note	----- Pak Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	207,666	253,844
Office building	6	53,960,000	29,741,760
Intangible asset	7	2,500,000	2,500,000
Long term investments	9	62,239,714	52,984,174
Long term deposits	10	100,000	500,000
Deferred tax asset		772,349	-
		<u>119,779,729</u>	<u>85,979,778</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables - net	11	625,727	2,961,754
Short term deposits and advances	12	4,033,000	6,423,000
Income tax refundable - Net	13	50,064	665,365
Short term investment	14	2,721,057	2,501,365
Cash and bank balances	15	3,406,547	15,779,362
		<u>10,836,394</u>	<u>28,330,846</u>
		<u>130,616,123</u>	<u>114,310,624</u>
<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		30,084,365	10,607,307
<b>Capital reserves</b>			
Surplus on revaluation of office building	17	47,858,048	22,400,568
Deposit for shares		1,500,000	-
		<u>49,358,048</u>	<u>22,400,568</u>
		<u>127,258,213</u>	<u>80,823,675</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	19	2,900,000	4,400,000
Deferred tax liability	20	-	14,038,595
		<u>2,900,000</u>	<u>18,438,595</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	457,910	15,048,354
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22	-	-
		<u>130,616,123</u>	<u>114,310,624</u>

The annexed notes 1 to 34 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 PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2023**

		2023	Restated 2022
	Note	---- Pak Rupees ----	
Revenue	23	2,320,677	4,734,818
Operating and administrative expenses	24	(10,685,817)	(10,609,020)
Operating profit/(loss)		<u>(8,365,140)</u>	<u>(5,874,202)</u>
Other income	25	12,761,525	4,168,464
Profit (Loss) before taxation		<u>4,396,385</u>	<u>(1,705,738)</u>
Tax expense	26	15,080,673	(678,246)
Profit/(loss) for the year		<u>19,477,058</u>	<u>(2,383,984)</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



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DIRECTOR

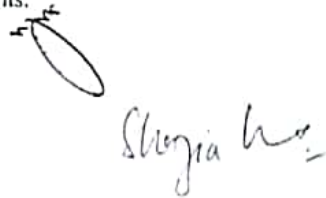
**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	Restated 2022
	----- Pak Rupees-----	
Profit/(loss) for the year	19,477,058	(3,870,637)
<b>Other comprehensive income</b>	-	-
Surplus on revaluation of building	25,457,480	-
Deferred tax	-	-
	25,457,480	-
<b>Other comprehensive income/(loss) for the year</b>	<u>44,934,538</u>	<u>(2,383,984)</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



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CHIEF EXECUTIVE OFFICER

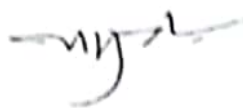



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DIRECTOR

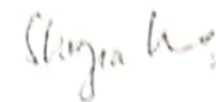
**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Share capital	Revenue reserve	Capital reserve		Total equity
			Unappropriated profit/(loss)	Surplus on revaluation of Building	
	----- (Pak Rupees) -----				
<b>Balance as at June 30, 2021-Restated</b>	47,815,800	12,991,291	22,400,567	-	83,207,658
Total comprehensive income for the year	-	(2,383,984)	-	-	(2,383,984)
Profit/(loss) for the year	-	-	-	-	-
Other comprehensive income/(loss)	-	(2,383,984)	-	-	(2,383,984)
<b>Balance as at June 30, 2022-Restated</b>	47,815,800	10,607,307	22,400,567	-	80,823,675
Total comprehensive income for the year	-	19,477,058	-	-	19,477,058
(Loss)/profit for the year	-	-	-	1,500,000	1,500,000
Deposit for shares	-	-	25,457,480	-	25,457,480
Other comprehensive income/(loss)	-	19,477,058	25,457,480	1,500,000	46,434,538
<b>Balance as at June 30, 2023</b>	47,815,800	30,084,365	47,858,047	1,500,000	127,258,213

The annexed notes 1 to 34 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 CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	Restated 2022
Note	----- Pak Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	4,396,385	(1,705,738)
<b>Adjustments:</b>		
Depreciation and impairment	1,285,418	1,296,562
Unrealized loss/(gain) on long-term investments	(9,255,540)	(2,093,877)
Tax written off	665,365	-
Dividend income	-	1,865,800
	<u>(7,304,757)</u>	<u>1,068,485</u>
<b>Profit before working capital changes</b>	<u>(2,908,372)</u>	<u>(637,252)</u>
<b>(Increase)/decrease in current assets</b>		
Trade & Other Receivable	2,336,028	141,545
Deposits, prepayments and other receivable	2,390,000	(777,400)
	<u>4,726,028</u>	<u>(635,855)</u>
<b>Increase/(decrease) in current liabilities</b>		
Trade and Other payables	(13,983,219)	(1,385,086)
<b>Cash generated from/(used in) operations</b>	<u>(12,165,564)</u>	<u>(2,658,193)</u>
Dividends received	-	(1,865,800)
Taxes paid	(387,559)	(273,110)
	<u>(387,559)</u>	<u>(2,138,910)</u>
<b>Net cash (used in) / from operating activities</b>	<u>(12,553,123)</u>	<u>(4,797,103)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment	(219,692)	(173,701)
Decrease/(increase) in long-term deposits	400,000	27,200
<b>Net cash used in investing activities</b>	<u>180,308</u>	<u>(146,501)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Directors - net	-	500,000
<b>Net cash generated from financing activities</b>	<u>-</u>	<u>500,000</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(12,372,816)</u>	<u>(4,443,604)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>15,779,363</u>	<u>20,22,967</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>15</u> <u>3,406,547</u>	<u>15,77,963</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



*[Signature]*

*[Signature]*

DIRECTOR

**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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. (Trade Only)

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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards for Small and Medium Sized Entities (SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed

**Change of Accounting Framework**

The accounting framework for the preparation of financial has been changed from International Financial reporting standard to International Financial Reporting Standards (IFRS) for Small and Medium Entities (SMEs) issued by IASB. This change has no effect on the measurement of assets and liabilities except the investment at fair value through other comprehensive income (FVTOCI) has been reclassified to fair value through profit or loss (FVTPL), resultantly the fair value reserve through other comprehensive income has also been reclassified to fair value gain through profit or loss as mentioned below:

	<b>2022</b>	<b>2021</b>
Decrease in Unrealized surplus on remeasurement of investments measured at FVOCI	-	16,075,890
Increase in Unappropriated Profit	1,486,653	16,075,890

**2.3 Basis of measurement**

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

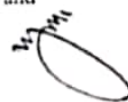
**2.4 Functional & Presentation Currency**

These financial statements are presented in Pakistan Rupees (Rs.) which is the Company's functional currency.

**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 and equipment
- Useful lives, residual values and amortization method of intangible assets
- Impairment loss of non-financial assets other than inventories
- Provision for expected credit losses
- Estimation of provisions
- Fair value of unquoted equity investments and building
- Classification, recognition, measurement / valuation of financial instruments and
- provision for taxation



**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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 except building 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. Building is stated at revalued amount less accumulated depreciation and accumulated impairment loss.

**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.

**Revaluation**

Any revaluation increase arising on the revaluation of buildings is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", 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 buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings is transferred to unappropriated profit on disposal.

**Depreciation**

Depreciation on all items of property and equipment is calculated using the reducing balance method except for Building 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.

**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



**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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

**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 Financial Instruments**

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated initially at cost which is the fair value of consideration given or received. The financial assets are subsequently measured at fair value, amortized cost or cost as the case may be with classifications into i) at fair value through profit or loss (FVTPL) and ii) at amortized cost. Subsequently:

**i) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

**ii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in Statement of Profit or loss. Currently, there are no financial liabilities designated at FVTPL.

**3.3.1 Impairment of financial assets**

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence

**3.3.2 Derecognition of financial instruments**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and

**3.4 Trade Receivable  
Measurement**

Trade receivable are recognized initially at fair value and subsequently measured at cost less provision for bad debt.

**Impairment**

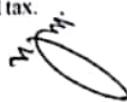
A provision for impairment of trade debts is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off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

**3.5 Taxation**

Income tax expense comprises current and deferred tax.





**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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.

**3.6 Cash and cash equivalents**

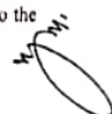
Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts.

**3.7 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.

**3.8 Share capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the



**PASIA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3.9 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.

**3.10 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.

**3.11 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.

**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.

**PASHA SECURITIES (PRIVATE) LIMITED**  
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**3.12 Trade date accounting**

All "regular way" purchases and sales of financial assets are recognized on trade date, i.e. the date on which the asset is sold to or by the Company. Regular way purchases or sales of financial assets are those contracts which require delivery of assets within the time frame generally established by regulation or convention in the market.

**3.13 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**5 PROPERTY AND EQUIPMENT**

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
Cost	----- Rupees -----				
Balance as at July 01, 2021	581,495	556,201	610,364	3,603,320	5,351,380
Additions	-	-	-	-	-
Balance as at June 30, 2022	581,495	556,201	610,364	3,603,320	5,351,380
Balance as at July 01, 2022	581,495	556,201	610,364	3,603,320	5,351,380
Additions	-	-	-	-	-
Balance as at June 30, 2023	581,495	556,201	610,364	3,603,320	5,351,380
Depreciation					
Balance as at July 01, 2021	510,252	528,456	527,899	3,473,606	5,040,213
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
Balance as at July 01, 2022	520,939	536,780	540,269	3,499,548	5,097,536
For the period	9,083	5,826	10,514	20,754	46,178
Balance as at June 30, 2023	530,022	542,606	550,783	3,520,303	5,143,714
Carrying amount as at June 30, 2023	51,473	13,595	59,581	83,017	207,666
Carrying amount as at June 30, 2022	60,556	19,421	70,095	103,772	253,844
Rate of Depreciation	15%	30%	15%	20%	-

5.1 Depreciation has been allocated to administrative expenses.



**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

	Note	2023 -----Pak Rupees-----	2022
<b>Net carrying value basis</b>		<b>29,741,760</b>	<b>30,981,000</b>
As at 1st July		-	-
Assets written off		29,741,760	30,981,000
Balance as at July 01, 2022		(1,239,240)	(1,239,240)
Depreciation charged for the year		25,457,480	-
Revaluation surplus		53,960,000	29,741,760
Closing balance			

Depreciation on office building has been charged on straight line basis over its remaining useful life to profit or loss. The company has a renewal lease contract of building for a remaining period of 20 years. Fair value has been estimated at Rs. 40,000 per square feet by management as at 30 June 2023 using market based approach. The area of this building is 1349 square feet approximately.

	Note	2023 -----Pak Rupees-----	2022
<b>7 INTANGIBLE ASSET</b>		<b>2,500,000</b>	<b>2,500,000</b>
Trading Right Entitlement Certificate ("TREC")	7.1&7.2	<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 (2022: Rs 2.5 million), as published by PSX.

	Note	2023 -----Pak Rupees-----	2022
<b>8 FINANCIAL ASSETS OTHER THAN CASH AND BANK</b>		<b>62,239,714</b>	<b>52,984,174</b>
Equity instruments designated at FVTPL	9	2,721,057	2,501,365
Financial Assets designated at FVTPL	14		
Debt instruments at amortised cost			
- Long term deposits	10	100,000	500,000
- Trade debts - net	11	625,727	2,961,754
- Short term advances	12	1,033,000	1,023,000
- Short term deposits	12	2,270,913	5,400,000
		<u>4,029,640</u>	<u>9,884,754</u>
		<u>68,990,410</u>	<u>65,370,293</u>

**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9 LONG TERM INVESTMENT AT FVTPL**  
**Non- Listed Equity Securities**

Opening Balance	9.1	52,984,174	50,890,298
Adjustment for remeasurement to fair value		9,255,540	2,093,877
		<u>62,239,714</u>	<u>52,984,174</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 arm's 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. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

	Note	2023	2022
		-----Pak Rupees-----	
<b>10 LONG TERM DEPOSITS</b>			
Central Depository Company Limited	10.1	100,000	100,000
National Clearing Company of Pakistan Limited	10.2	-	400,000
		<u>100,000</u>	<u>500,000</u>

- 10.1 This represents long term deposits held with Central Depository Company Limited.
- 10.2 This represents long term deposits held with EClearing Company of Pakistan Limited.

**11 TRADE AND OTHER RECEIVABLES - NET**

Clients	11.1	3,289,000	3,053,661
Other Receivable		-	242,000
Less: Provision for bad debts		(2,663,274)	(333,906)
Other Clients	11.2	625,727	2,961,754
		<u>625,727</u>	<u>2,961,754</u>

	Note	2023	2022
		-----Pak Rupees-----	
<b>11.2 Provision for bad debt</b>			
Balance as at July 1		333,906	333,906
(Income)/ expense charged during the year		2,329,367	-
Closing balance (as at June 30)		<u>2,663,274</u>	<u>333,906</u>

**12 SHORT TERM DEPOSITS AND ADVANCES**

<b>Short-term loans and advances</b>			
Advances to employees		1,033,000	1,023,000
<b>Short-term deposits</b>			
Advance to EClear Services Limited		729,087	
NCCPL exposure Margin - House		2,270,913	5,400,000
		<u>3,000,000</u>	
		<u>4,033,000</u>	<u>6,423,000</u>

*M. N. W.*

**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2023 -----Pak Rupees-----	2022
<b>13 INCOME TAX REFUNDABLE - NET</b>			
Opening balance as at July 01		665,365	463,274
Add: withheld/paid during the year		387,559	273,113
		1,052,924	736,387
Less: Adjustment against advance tax		(337,495)	(71,022)
Less: written off		(665,365)	-
Balance at the end of the Year-Refundable/(payables)		50,064	665,365
<b>14 SHORT TERM INVESTMENT AT FVTPL</b>			
Listed equity Securities	14.1	2,721,057	2,501,365
		2,721,057	2,501,365

14.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.

	Note	2023 -----Pak Rupees-----	2022
<b>15 CASH AND BANK BALANCES</b>			
Cash in hand		4,316	6,332
Cash at bank - Local currency			
Current accounts	15.1	3,402,231	15,773,030
		3,406,547	15,779,362

15.1 Cash at bank includes customers' assets in the amount of PKR 373,608/- (2022: 15,773,030) held in designated bank accounts.

	2023 -----Pak Rupees-----	2022
<b>16 SHARE CAPITAL</b>		
Authorized capital		
16.1 5,000,000 (2022: 5,000,000) ordinary shares of PKR 10 each	50,000,000	50,000,000

	2023	2022		2023	2022
<b>16.2 Issued, subscribed and paid-up share capital</b>					
	4,781,580	4,781,580	Ordinary shares of Rs 10 each, issued for cash	47,815,800	47,815,800

16.3 Shareholders holding 5% or more of total shareholding

Number of Shares		Percentage	
2023	2022	2023	2022
4,781,531	4,781,531	99.99%	99.99%

Mr. Omer Iqbal Pasha

**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17 SURPLUS OF REVALUATION OF OFFICE BUILDING**

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

	2023	2022
	-----Pak Rupees-----	
Revaluation surplus as at July 01	22,400,568	22,400,568
Surplus/(deficit) arising on revaluation right of use asset	25,457,480	-
<b>Related deferred tax effect</b>		
Surplus/(deficit) arising on revaluation right of use asset	47,858,048	22,400,568
Closing balance net of deferred tax effect	-	-
	<u>47,858,048</u>	<u>22,400,568</u>

**17.1 Restriction on distribution**

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

**18 FINANCIAL LIABILITIES**

	2023	2022
	-----Pak Rupees-----	
<b>Non-Current</b>		
<b>Financial liabilities at amortised cost</b>		
Loan from director	2,900,000	4,400,000
<b>Current</b>		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	457,910	15,048,354
	<u>3,357,910</u>	<u>19,448,354</u>

**19 LONG TERM FINANCING**

Loan from director	2,900,000	4,400,000
	<u>2,900,000</u>	<u>4,400,000</u>

19.1 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.

**20 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:

	2023	2022
	-----Pak Rupees-----	
Deferred tax liability	-	14,135,428
Deferred tax asset	(772,349)	(96,833)
	<u>(772,349)</u>	<u>14,038,595</u>

**20.1 Analysis of change in deferred tax**

Provision for bad debts	(772,349)	(96,833)
Office building	-	9,149,528
Fair value gain on equity instruments at FVTPL	-	4,985,900
	<u>(772,349)</u>	<u>14,038,595</u>



**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	-----Pak Rupees-----	
<b>21 TRADE AND OTHER PAYABLES</b>		
Trade creditors	273,182	14,585,867
Accrued and other payables	9,728	288,487
Audit fee	175,000	174,000
	<u>457,910</u>	<u>15,048,354</u>

**22 CONTINGENCIES AND COMMITMENTS**

22.1 There are no contingencies or commitments of the Company as at June 30, 2023 (2022: Nil)

	2023	2022
	-----Pak Rupees-----	
<b>23 REVENUE</b>		
Commission Income Equity Trading	2,320,677	4,734,818
	<u>2,320,677</u>	<u>4,734,818</u>

**OPERATING AND ADMINISTRATIVE EXPENSES**

Staff salaries, allowances and other benefits	2,179,828	2,409,567
Director's remuneration	1,675,354	3,716,822
Communication expense	243,753	407,416
Postage and courier charges	35,644	74,268
Entertainment	197,055	177,716
Printing and stationery	26,175	106,305
CDC trading charges	31,146	36,520
NCCPL trading charges	14,522	14,755
PSX trading charges	239,128	229,071
Travelling and conveyance	7,050	171,800
Legal and professional charges	194,832	34,448
Repair and maintenance	23,830	113,052
Auditors' remuneration	245,000	174,000
Rate and taxes	36,660	269,000
Utilities	943,846	831,976
Doubtful debits	2,528,066	-
Misc. expenses	775,286	537,906
Bank and other charges	3,224	7,836
Depreciation	1,285,418	1,296,562
	<u>10,685,817</u>	<u>10,609,019</u>

**24.1 Auditor's remuneration**

<b>Audit Services</b>		
Annual audit fee	175,000	145,000
<b>Non-audit services</b>		
Certifications for regulatory purposes	70,000	29,000
	<u>245,000</u>	<u>174,000</u>

*Restated*

**25 OTHER INCOME**

Fair value Gain / loss on equity instruments at FVTPL	(26,107)	(1,111,514)
Unrealized Gain / loss on equity instruments at FVTPL	9,255,540	2,093,877
Dividend income from equity instruments at FVTPL	1,998,033	1,865,800
Miscellaneous income	1,534,059	1,320,302
	<u>12,761,525</u>	<u>4,168,464</u>

**26 INCOME TAX EXPENSE**

Current Tax	337,495	71,022
Deferred tax	(15,418,168)	607,224
	<u>(15,080,673)</u>	<u>678,246</u>

**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**27 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.

	2023		2022	
	CEO	Director	CEO	Director
	----- Rupees -----		----- Rupees -----	
<b>Short term employee benefits</b>				
Managerial Remuneration	1,675,354	-	1,320,000	877,800
Housing and Utilities	-	-	896,140	896,139
	<u>1,675,354</u>	<u>-</u>	<u>2,216,140</u>	<u>1,773,939</u>
<b>No. of persons</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**28 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	2023	2022
	-----Pak Rupees-----	
Total Assets	130,616,123	114,310,624
Less: Total liabilities	3,357,910	33,486,949
Less: revaluation surplus on right of use asset	47,858,048	22,400,568
Capital adequacy level	<u>79,400,165</u>	<u>58,423,107</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.

**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>29</b>	<b>Information required by regulation 34 of Securities Broker Regulations 2016</b>	<b>2023</b>	<b>2022</b>
a)	Customer shares in the central depository system	-	-
	Customer's cash in bank account - PKR	373,608	15,762,049
b)	Securities pledged with financial institutions		
c)	<b>Pattern of shares:</b>		
	Mr. Omer Iqbal Pasha	4,781,531	4,781,531
	Total no of shares	4,781,531	4,781,531
d)	<b>Changes in shareholding:</b>		
	Shares issued during the year to Omer Iqbal Pasha	-	-
e)	Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.		
	Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.		
f)	<b>Aging analysis of amount due from customers</b>		
	Due not more than 5 days - PKR	-	-
	Due more than 5 days - PKR	3,289,000	3,053,661

**30 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	2023	2022
			, ---- Rupees ----	
Omer Iqbal Pasha	Director	Opening balance	4,400,000	3,900,000
		loan transferred to share deposit money	(1,500,000)	
		loan received	-	500,000
		<b>Closing balance</b>	<b>2,900,000</b>	<b>4,400,000</b>

**31 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.

**32 EVENTS AFTER REPORTING DATE**

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

**33 GENERAL**


**33.1** The figures have been rounded off to the nearest Rupee

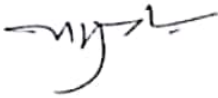
**33.2** Number of persons employed  
Average number employees during the year

	<b>2023</b>	<b>2022</b>
	5	5
	5	5

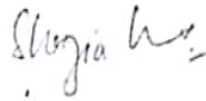
**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**34 DATE OF AUTHORIZATION**

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



\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**



\_\_\_\_\_  
**DIRECTOR**