

PASHA SECURITIES (PRIVATE) LIMITED
Financial Statements (Un-Audited)
For the Quarter Ended 31 December 2022

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DEC, 2022

	Note	Dec, 2022 ----- Pak Rupees-----	Jun, 2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	230,756	253,844
Right of use assets	6	29,741,760	29,741,760
Intangible asset	7	2,500,000	2,500,000
Long term investments	9	52,984,174	52,984,174
Long term deposits	10	500,000	500,000
		85,956,690	85,979,778
CURRENT ASSETS			
Trade and other receivables - net	11	3,184,328	2,961,754
Short term deposits and advances	12	6,433,000	6,423,000
Income tax refundable - Net	13	961,239	665,365
Short term investment	14	1,760,119	2,501,365
Cash and bank balances	15	11,346,852	15,779,362
		23,685,538	28,330,846
		109,642,228	114,310,624
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	16	47,815,800	47,815,800
Revenue reserve			
Unappropriated loss		(6,483,834)	(7,562,460)
Capital reserves			
Surplus on revaluation of right of use asset	17	22,400,568	22,400,568
Fair value reserve	18	18,169,767	18,169,767
		40,570,335	40,570,335
		81,902,301	80,823,675
Deposit for Shares		1,500,000	
NON-CURRENT LIABILITIES			
Long term financing	20	2,900,000	4,400,000
Deferred tax liability	21	14,038,595	14,038,595
		16,938,595	18,438,595
CURRENT LIABILITIES			
Trade and other payables	22	9,301,332	15,048,354
CONTINGENCIES AND COMMITMENTS			
	23	-	-
		109,642,228	114,310,624

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DEC 31, 2022

	Note	Dec, 2022 ----- Pak Rupees-----	Jun, 2022
Revenue	24	1,385,129	4,734,818
Operating and administrative expenses	25	(2,847,883)	(9,369,781)
Operating profit/(loss)		<u>(1,462,754)</u>	<u>(4,634,963)</u>
Other income	26	2,541,380	2,074,588
Profit (Loss) before taxation		<u>1,078,626</u>	<u>(2,560,375)</u>
Tax expense	27	-	(71,022)
Profit/(loss) for the year		<u>1,078,626</u>	<u>(2,631,397)</u>
(Loss)/earnings per share - basic	28	<u>0.23</u>	<u>(0.81)</u>

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DEC 31, 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
----- (Pak Rupees) -----					
Balance as at June 30, 2021	47,815,800	(3,084,599)	22,400,567	16,075,890	83,207,658
Total comprehensive income for the year					
Profit/(loss) 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)
	-	(4,477,861)	-	2,093,877	(2,383,984)
Balance as at June 30, 2022	47,815,800	(7,562,460)	22,400,567	18,169,767	80,823,674
Total comprehensive income for the year					
(Loss)/profit for the year	-	1,078,626	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-
Deferred tax	-	-	-	-	-
		1,078,626		-	-
Balance as at Sep 30, 2022	47,815,800	(6,483,834)	22,400,567	18,169,767	81,902,300

CHIEF EXECUTIVE OFFICER

DIRECTOR

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DEC 31, 2022

	Dec, 2022	Jun, 2022
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	1,078,626	(3,799,615)
Adjustments:		
Depreciation and impairment	<u>23,089</u>	1,296,562
Dividend income	<u>1,977,976</u>	1,865,800
	<u>2,001,066</u>	3,162,362
Profit before working capital changes	<u>3,079,691</u>	(637,253)
(Increase)/decrease in current assets		
Trade & Other Receivable	<u>(222,574)</u>	141,545
Deposits, prepayments and other receivable	<u>(10,000)</u>	(777,400)
	<u>(232,574)</u>	(635,855)
Increase/(decrease) in current liabilities		
Trade and Other payables	<u>(5,747,022)</u>	(1,385,086)
Cash generated from/(used in) operations	<u>(2,899,905)</u>	(2,658,194)
Dividends received	<u>(1,977,977)</u>	(1,865,800)
Taxes paid	<u>(295,874)</u>	(273,110)
	<u>(2,273,851)</u>	(2,138,910)
Net cash (used in) / from operating activities	<u>(5,173,756)</u>	(4,797,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment	<u>741,246</u>	(173,701)
Decrease/(increase) in long-term deposits	<u>-</u>	27,200
Net cash used in investing activities	<u>741,246</u>	(146,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit for shares	1,500,000	
Proceeds from Directors loan	<u>(1,500,000)</u>	500,000
Net cash generated from financing activities	<u>-</u>	500,000
Net (decrease)/increase in cash and cash equivalents	<u>(4,432,510)</u>	(4,443,603)
Cash and cash equivalents at the beginning of the year	<u>15,779,364</u>	20,222,967
Cash and cash equivalents at the end of the year	<u>15</u> <u>11,346,853</u>	<u>15,779,364</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

5 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	----- Rupees -----				
Cost					
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 Dec 31, 2022	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	57,322
Balance as at June 30, 2022	520,938	536,779	540,269	3,499,549	5,097,535
Balance as at July 01, 2022	520,938	536,779	540,269	3,499,549	5,097,535
For the period	4,542	2,913	5,257	10,377	23,089
Balance as at Dec 31, 2022	525,480	539,692	545,526	3,509,926	5,120,624
Carrying amount as at Sep 30, 2022	56,015	16,509	64,838	93,394	230,756
Carrying amount as at Sep 30, 2022	60,557	19,422	70,095	103,771	253,845
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, 2022

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	Dec, 2022 -----Pak Rupees-----	Jun, 2022
Net carrying value basis			
As at 1st July		29,741,760	30,981,000
Assets written off		-	-
Balance as at July 01, 2021		29,741,760	30,981,000
Depreciation charged for the year		-	(1,239,240)
Revaluation surplus		-	-
Closing balance		<u>29,741,760</u>	<u>29,741,760</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	Dec, 2022 -----Pak Rupees-----	Jun, 2022
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
FOR THE YEAR ENDED JUNE 30, 2022

	Note	Dec, 2022 -----Pak Rupees-----	Jun, 2022
8 FINANCIAL ASSETS OTHER THAN CASH AND BANK			
Equity instruments designated at FVTOCI	9	52,984,174	52,984,174
Financial Assets designated at FVTPL	14	1,760,119	2,501,365
Debt instruments at amortised cost			
- Long term deposits	10	500,000	500,000
- Trade debts - net	11	-	2,961,754
- Short term advances	12	1,033,000	1,023,000
- Short term deposits	12	5,400,000	5,400,000
		6,933,000	9,884,754
		61,677,293	65,370,293
9 LONG TERM INVESTMENT AT FVTOCI			
Non- listed Equity Securities			
Opening Balance	9.1	52,984,175	50,890,298
Adjustment for remeasurement to fair value		-	2,093,877
		52,984,174	52,984,175

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	Dec, 2022 -----Pak Rupees-----	Jun, 2022
10 LONG TERM DEPOSITS			
Central Depository Company Limited		100,000	100,000
National Clearing Company of Pakistan Limited		400,000	400,000
ISE Towers REIT Management Company Limited		-	-
		500,000	500,000

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.

	Note	Dec, 2022	Jun, 2022
11 TRADE AND OTHER RECEIVABLES - NET			
Clients	11.1	3,889,322	3,053,661
Other Receivable	11.2	-	242,000
Less: Allowance for expected losses			
Other Clients	11.3	(704,994)	(333,906)
		3,184,328	2,961,755

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

11.1 Aging of Trade receivable

	2022		2021	
	Clients	Total	Clients	Total
	----- Rupees ----		----- Rupees ----	
Not overdue	-	-	-	-
Past due less than 5 days	-	-	18,262	18,262
Past due less than 14 days	-	-	3,035,023	3,035,023
Past due less than 1 year	-	-	-	-
Past due over 365 days	-	-	-	-
Gross trade receivable	-	-	3,053,285	3,053,285
Allowance for expected credit losses	-	-	-	-
Net trade receivable	-	-	3,053,285	3,053,285

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

	Note	Dec, 2022	Jun, 2022
		-----Pak Rupees-----	
11.3 Allowance for expected credit losses			
Balance as at July 1		333,906	333,906
(Income)/ expense charged during the year		371,088	-
Closing balance (as at June 30)		704,994	333,906

12 SHORT TERM DEPOSITS AND ADVANCES

Short-term loans and advances

Advances to employees

1,033,000 1,023,000

Short-term deposits

NCCPL exposure Margin - House

5,400,000 5,400,000

6,433,000 6,423,000

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

665,365 463,274

Add: Current year provision

295,874 (71,022)

961,239 392,252

Less: Adjustment against advance tax

- 273,113

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

961,239 665,365

14 SHORT TERM INVESTMET AT FVTPL

Listed equity Securities

14.1

1,760,119 2,501,365

1,760,119 2,501,365

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	Dec, 2022 -----Pak Rupees-----	Jun, 2022
15 CASH AND BANK BALANCES			
Cash in hand		10,427	6,332
Cash at bank - Local currency			
Current accounts	15.1	11,336,424	15,773,030
		<u>11,346,852</u>	<u>15,779,362</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.

		Dec, 2022 -----Pak Rupees-----	Re-stated Jun, 2022
16 SHARE CAPITAL			
Authorized capital			
16.1 5,000,000 (2021: 5,000,000) ordinary shares of PKR 10 each.		<u>50,000,000</u>	<u>50,000,000</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	<u>4,781,531</u>	<u>4,781,531</u>	<u>99.99%</u>	<u>99.99%</u>

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

	Dec, 2022 -----Pak Rupees-----	Jun, 2022
Revaluation surplus as at July 01	22,400,568	22,400,568
Surplus/(deficit) arising on revaluation right of use asset	-	-
	<u>22,400,568</u>	<u>22,400,568</u>
Related deferred tax effect		
Surplus/(deficit) arising on revaluation right of use asset	-	-
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	Dec, 2022 -----Pak Rupees-----	Jun, 2022
18 CAPITAL RESERVE			
Fair value reserve	18.1	<u>16,075,890</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.

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

19 FINANCIAL LIABILITIES		Dec, 2022	Jun, 2022
Non-Current	Note	-----Pak Rupees-----	
Financial liabilities at amortised cost			
Loan from director	20	<u>2,900,000</u>	<u>4,400,000</u>
Current			
Financial liabilities at amortised cost			
Trade and other payables	22	<u>9,301,332</u>	<u>15,048,354</u>
		<u>12,201,332</u>	<u>19,448,354</u>

20 LONG TERM FINANCING

Loan from director	20.1	<u>2,900,000</u>	<u>4,400,000</u>
		<u>2,900,000</u>	<u>4,400,000</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	Dec, 2022	Jun, 2022
		-----Pak Rupees-----	
Deferred tax liability		<u>14,038,595</u>	<u>14,225,131</u>
Deferred tax asset		<u>-</u>	<u>(186,536)</u>
		<u>14,038,595</u>	<u>14,038,595</u>

21.1 Analysis of change in deferred tax

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

22 TRADE AND OTHER PAYABLES

Trade creditors	<u>9,261,349</u>	<u>14,585,867</u>
Accrued and other payables	<u>39,983</u>	<u>288,487</u>
Audit fee	<u>-</u>	<u>174,000</u>
	<u>9,301,332</u>	<u>15,048,354</u>

23 CONTINGENCIES AND COMMITMENTS

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

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

24 REVENUE	Note	Dec, 2022	Jun, 2022
		-----Pak Rupees-----	
Commission Income Equity Trading		1,385,129	5,492,389
Less: Federal Excise Duty		-	(757,571)
		1,385,129	4,734,818
25 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		708,460	2,409,567
Director's remuneration		627,096	3,716,822
Communication expense		67,810	407,416
Postage and courier charges		15,644	74,268
Entertainment		98,080	177,716
Printing and stationery		20,325	106,305
CDC trading charges		19,868	36,520
NCCPL trading charges		12,708	14,755
PSX trading charges		150,673	229,071
Travelling and conveyance		3,150	171,800
Legal and professional charges		154,381	34,448
Provision for doubtful debts		371,088	
Repair and maintenance		500	113,052
Auditors' remuneration	25.1	107,500	174,000
Rate and taxes		-	269,000
Utilities		447,021	831,976
Advertisement		-	-
Misc. expenses		18,030	537,906
Bank and other charges		2,460	7,836
Depreciation		23,089	57,323
		2,847,883	9,369,781
25.1 Auditor's remuneration			
Audit Services			
Annual audit fee		-	145,000
Non-audit services			
Certifications for regulatory purposes		-	29,000
		-	174,000
26 OTHER INCOME			
Fair value loss on equity instruments at FVTPL		(716,046)	(1,111,514)
Dividend income from equity instruments at FVTOCI		1,977,976	1,865,800
Miscellaneous income		1,279,449	1,320,302
		2,541,380	2,074,588
27 INCOME TAX EXPENSE			
Current Tax		-	71,022
Deferred tax		-	-
		-	71,022

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

	Note	Dec, 2022 -----Pak Rupees-----	Jun, 2022
27.1 Major components of current tax expense			
Charge for current year		20,777	71,022
27.2 Deferred tax expense on items recognized in profit or loss			
Fair value gain on equity instruments at FVTPL		-	-
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	Dec, 2022 -----Pak Rupees-----	Jun, 2022
(Loss)/profit after taxation, attributable to ordinary shareholders		1,078,626	(3,870,637)
Weighted average number of ordinary shares in issue during the year		4,781,580	4,781,580
Earnings per share		0.23	(0.81)

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.

	Dec, 2022		Jun, 2022	
	CEO	Director	CEO	Director
	----- Rupees -----		----- Rupees -----	
Short term employee benefits				
Managerial Remuneration	-	-	1,320,000	877,800
Housing and Utilities	708,460	-	896,140	896,139
	708,460	-	2,216,140	1,773,939
No. of persons	1	1	1	1

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

30 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.

31 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	Dec, 2022	June, 2022
			----- Rupees -----	
Omer Iqbal Pasha	Director with % holding	loan repaid	(1,500,000)	4,400,000
		loan received		0
		Closing balance	2,900,000	4,400,000

32 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.

33 EVENTS AFTER REPORTING DATE

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

34 GENERAL

34.1 The figures have been rounded off to the nearest Rupee.

	Dec, 2022	June, 2022
34.2 Number of persons employed	5	5
Average number employees during the year	5	5

35 DATE OF AUTHORIZATION

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

CHIEF EXECUTIVE OFFICER

DIRECTOR