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

Dalal Securities (Private) Limited

TREC Holder of the Pakistan Stock Exchange Limited.

DIRECTOR'S REPORT

On Behalf of the Board of Director of M/s Dalal Securities (Private) Limited, I am pleased to present herewith the financial performance and Audited Accounts of the company for the year ended June 30, 2023.

FINANCIAL RESULTS	2023 (Rupees)	2022 (Rupees)
Operating Revenue	7,913,919	11,474,224
Profit/(Loss) before Taxation	(30,837,190)	(71,110,646)
Taxation	(1.1179.977)	(2,638,946)
Profit/(Loss) after Taxation	(32,017,167)	(73,749,592)
Earnings per share (Rs.)	(3.20)	(14.75)

MARKET DYNAMIC & OUTLOOK

The Year under review was marked by long political uncertainly, adverse economic situation, High Inflation, intrest rate and currency devaluation etc. Due to above factors the PSX 100 Index was down by 88 points (0.21%) during the year.

COMPANY PERFORMANCE

In view of the overall negative outlook, the performance of our company was not satisfactory and Net/(Loss) for the year Rs. (32.01) million resulting in EPS (loss) per shares Rs (3.20)

AUDITORS:

The Auditors M/s UHY Hassan Naeem & Co. retire at the conclusion of the Annual General Meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Board of Directors the co-operation extended by our banks and financial institutions and efforts, dedication and commitment demonstrated by our valued customers. The board appreciates and acknowledges the contribution and dedication of all the employees in performing their task diligently and with commitment.

For and on behalf of the Board
Dalal Securities (Private) Limited

Muhammad Siddique Dalal
Chief Executive
Karachi:
Date: 02-10-2023

Muhammad Shoaib Dalal
Director

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INDEPENDENT AUDITOR'S REPORT

To the members of DALAL SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Arslan Ahmed.**

UHY Hassan Naeem & Co.

KARACHI
DATE: October 2, 2023
UDIN: AR20231031142vtJqwax

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

	Note	2023 (Rupees)	2022 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	9,781,667	9,801,160
Intangible assets	5	2,750,000	2,750,000
Investment - at Fair value through other comprehensive income	6	8,000,836	11,060,615
Long term deposits	7	8,770,000	8,770,000
		29,302,503	32,381,775
CURRENT ASSETS			
Trade debts	8	2,452,096	2,214,055
Investment at fair value through profit and loss	9	114,926,233	126,761,760
Advances, deposits, prepayments and other receivables	10	15,018,417	24,506,679
Cash and bank balances	11	25,070,801	47,792,441
		157,467,547	201,274,935
		186,770,050	233,656,710
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	12.1	150,000,000	75,000,000
Issued, subscribed and paid-up capital	12.2	100,000,000	50,000,000
Accumulated Profit		59,282,141	141,299,308
Surplus - Investment at Fair value through other comprehensive income		3,953,827	7,013,606
		163,235,968	198,312,914
NON CURRENT LIABILITIES			
Gratuity Payable		13,798,000	12,637,500
CURRENT LIABILITIES			
Trade and other payable	13	9,736,082	22,706,296
		9,736,082	22,706,296
Contingencies and commitments	14		
		186,770,050	233,656,710

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

Chief Executive

Director

DALAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Revenue	15	7,913,919	11,474,224
Administrative and general expenses	16	(27,125,745)	(30,879,730)
Expected credit loss/(reversal of expected credit loss)		279,905	(300,000)
Other income	17	(11,905,269)	(51,405,140)
NET (LOSS) BEFORE TAXATION		**(30,837,190)**	(71,110,646)
Taxation	18	(1,179,977)	(2,638,946)
NET (LOSS) AFTER TAXATION		**(32,017,167)**	(73,749,592)
Earning/(loss) per share- basic and diluted		**(3.20)**	(14.75)

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

Chief Executive

Director

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

	2023 *(Rupees)*	2022 *(Rupees)*
Net (loss) for the year	**(32,017,167)**	(73,749,592)
Other comprehensive income:		
Unrealised (loss) on revaluation of investments at fair value thorugh other comprehensive income	**(3,059,779)**	(13,060,823)
TOTAL COMPREHENSIVE INCOME	(35,076,946)	(86,810,415)

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

Chief Executive

Director

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

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus - Investment- (FVTOCI)	Total
	---Rupees---			
Balance as at June 30, 2021	50,000,000	215,048,900	20,074,429	285,123,329
Unrealised (loss) on revaluation of investments at fair value thorugh other comprehensive income	-	-	(13,060,823)	(13,060,823)
Net (loss) for the year	-	(73,749,592)	-	(73,749,592)
Balance as at June 30, 2022	**50,000,000**	**141,299,308**	**7,013,606**	**198,312,914**
Bonus shares issued	**50,000,000**	**(50,000,000)**	-	-
Unrealised (loss) on revaluation of investments at fair value thorugh other comprehensive income	-	-	**(3,059,779)**	**(3,059,779)**
Net (loss) for the year	-	**(32,017,167)**	-	**(32,017,167)**
Balance as at June 30, 2023	**100,000,000**	**59,282,141**	**3,953,827**	**163,235,968**

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

Chief Executive

Director

DALAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2022 (Rupees)	2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(30,837,190)	(71,110,646)
Adjustment for non-cash items:			
Depreciation		828,671	906,772
Gratuity Expense		1,214,500	2,931,500
Gain on sales of Fixed Assests		(77,178)	-
Unrealized capital loss on investment fair value through profit and loss		28,492,763	48,972,254
Realized capital loss on investment fair value through profit and loss		(5,901,019)	12,371,559
Income from dividend		(7,718,500)	(7,317,855)
Operating loss before working capital changes		16,839,237	57,864,230
Changes in working capital			
Decrease / (increase) in trade debts		(238,041)	7,441,032
Decrease / (increase) in advances, deposits and prepayments		10,005,000	1,281,000
(Decrease) / increase in trade and other payable		(12,970,214)	(10,784,954)
Net changes in working capital		(3,203,255)	(2,062,922)
Gratuity paid		(54,000)	-
Taxes paid		(1,696,715)	(1,629,565)
Net cash (used in)/generated from operating activities		(18,951,923)	(1,629,565)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(1,032,000)	(162,300)
Disposal of property and equipment		300,000	-
(Acquisition)/Proceeds from sale of investments		(10,756,217)	(27,467,491)
Dividend received		7,718,500	7,317,855
Net cash (used in)/generated from investing activities		(3,769,717)	(20,311,936)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net cash (used in)/generated from financing activities			
Net increase in cash and cash equivalent		(22,721,640)	(37,250,839)
Cash and cash equivalent at beginning of the year		47,792,441	85,043,280
Cash and cash equivalent at end of the year		25,070,801	47,792,441

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

Chief Executive

Director

1 Legal Status and Nature of Business

Dalal Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 04, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The geographical location of business and registered office of the company is located at room no. 103,1st floor, Business Finance Centre, I.I. Chundrigar Road, Karachi and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Property and equipment (note 4)
- Taxation (note 18)

2.5 New Accounting pronouncements

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

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

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

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

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

3 Summary of Significant Accounting Policies

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

3.1 Taxation

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

Current Tax

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

Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.
The company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Property and Equipment

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

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

3.3 Intangible Assets

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

Trading Right Entitlement Certificate(TREC)

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

Software

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

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

Amortization

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

3.4 Trade debts and other receivables

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

3.5 Provisions

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

3.6 Trade and Other Payable

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

3.7 Revenue recognition

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

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

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

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Contingent Liabilities

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

3.10 Financial Instruments

3.10.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) Financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

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

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

(ii) It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Subsequent measurement

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest /markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never classified to the profit and loss account.
Financial asset at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

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

Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to thee respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 month ECLs:

- Debt securities that are determined to have low credit risk at reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

Non- financial assets

The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.11 Post Retirement benefits- Staff gratuity

The company operates an unfunded gratuity scheme for all of its eligible employees who have completed the minimum qualification period of service.

4. PROPERTY AND EQUIPMENT

	2023					
	Office premises	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
	(Rupees)					
As at July 01, 2022						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,666,975	24,916,246
Accumulated depreciation	(3,494,032)	(2,844,553)	(1,954,966)	(1,561,599)	(5,259,936)	(15,115,086)
Net book value at the beginning of the year	6,886,968	653,632	78,996	774,525	1,407,039	9,801,160
Changes during the year						
Additions during the year	-	-	-	-	1,032,000	1,032,000
Disposals - cost					(850,000)	(850,000)
Depreciation charge for the year	(344,348)	(65,363)	(23,699)	(77,453)	(317,808)	(828,671)
Disposals - Accumulated depreciation					627,178	627,178
Net book value at the end of the year	6,542,620	588,269	55,297	697,073	1,898,409	9,781,667
Analysis of net book value						
As at June 30, 2023						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,848,975	25,098,246
Accumulated depreciation	(3,838,380)	(2,909,916)	(1,978,665)	(1,639,052)	(4,950,566)	(15,316,579)
Net book value at the end of the year	6,542,620	588,269	55,297	697,072	1,898,409	9,781,667
Depreciation rate (% per annum)	10%	10%	10%	30%	20%	

	2022					
	Office premises	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
	(Rupees)					
As at July 01, 2021						
Cost	10,381,000	3,498,185	2,033,962	2,173,824	6,666,975	**24,753,946**
Accumulated depreciation	(3,131,560)	(2,771,927)	(1,921,110)	(1,475,541)	(4,908,176)	**(14,208,315)**
Net book value at the beginning of the year	7,249,440	726,258	112,852	698,283	1,758,799	10,545,631
Changes during the year						
Additions	-	-	-	162,300	-	162,300
Disposals - cost				-	-	-
Depreciation charge for the year	(362,472)	(72,626)	(33,856)	(86,058)	(351,760)	(906,771)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Net book value at the end of the year	6,886,968	653,632	78,996	774,525	1,407,039	9,801,160
Analysis of net book value						
As at June 30, 2022						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,666,975	24,916,246
Accumulated depreciation	(3,494,032)	(2,844,553)	(1,954,966)	(1,561,599)	(5,259,936)	(15,115,086)
Net book value at the end of the year	6,886,968	653,632	78,996	774,525	1,407,039	9,801,160
Depreciation rate (% per annum)	10%	10%	10%	30%	20%	

5. INTANGIBLE ASSETS

	2023		
	PMEX	TREC (Note 5.1)	Total
	----------(Rupees)----------		
As at July 01, 2022			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value at the beginning of the year	250,000	2,500,000	2,750,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization			-
Net book value at the end of the year	**250,000**	**2,500,000**	**2,750,000**
Analysis of Net Book Value			
Cost	**250,000**	**5,000,000**	**5,250,000**
Accumulated ammortization	**-**	**(2,500,000)**	**(2,500,000)**
Net book value as at June 30, 2023	**250,000**	**2,500,000**	**2,750,000**
Rate of ammortization per annum (%)	**-**	**-**	

	2022		
	PMEX	TREC (Note 5.1)	Total
	----------(Rupees)----------		
As at July 01, 2021			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value at the beginning of the year	250,000	2,500,000	2,750,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	250,000	2,500,000	2,750,000
Analysis of Net Book Value			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value as at June 30, 2022	250,000	2,500,000	2,750,000
Rate of ammortization per annum (%)	-	-	

5.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed.

		2023 (Rupees)	2022 (Rupees)

6. INVESTMENT AT FAIR VALUE THROUGH OCI

Investment in quoted Securities	6.1	8,000,836	11,060,615

6.1 This Represents 1,081,194 shares of Pakistan Stock Exchange.(2022: 1,081,194), these shares are pledge with PSX against Base minimum capital requirement.

7. LONG TERM DEPOSITS

Deposits with:			
- Pakistan Stock Exchange Limited (PSX)	7.1	10,000	10,000
- Central Depository company (CDC)		100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)		400,000	400,000
- National Commodity Building (NCEL)		7,500,000	7,500,000
- PMEX		750,000	750,000
- Pakistan Mobile Communication		10,000	10,000
		8,770,000	8,770,000

8. TRADE DEBTS

Trade receivables		2,472,191	2,514,055
Less: Expected credit loss	8.1	(20,095)	(300,000)
		2,452,096	2,214,055

8.1 Provision for expected credit loss

Opening	300,000	-
Provision recorded during the year	-	300,000
Reversal of expected credit loss	(279,905)	-
	20,095	300,000

8.2 The aging analysis of trade debts are as follows:

Past due 1 - 30 days	2,336,355	1,234,466
Past due 31 - 180 days	11,832	1,267,954
Past due 181 days - one year	116,736	11,635
More than one year	7,269	-
	2,472,191	2,514,055

9. SHORT-TERM INVESTMENTS

Investment in quoted securities	9.1 & 9.2	114,926,233	126,761,760

9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices.

9.2 Investment includes shares pledge with Pakistan Stock Exchange Limited amounting to Rs 17,973,250 against Base Minimum Capital and with National Clearing Company Pakistan Limited amounting to Rs 30,675,940.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax		516,738	429,145
Income tax refund		6,277,679	5,848,534
NCCPL Exposure		10,000	10,000,000
Advances to employees		564,000	579,000
Advance against plot	10.1	7,650,000	7,650,000
		15,018,417	24,506,679

10.1 This asset is acquired in the name of Chief Executive Officer.

11. CASH AND BANK BALANCES

Cash at bank		
Current accounts	9,465,737	26,984,678
Saving accounts	15,542,241	20,785,075
	25,007,978	47,769,753
Cash in hand	62,823	22,688
	25,070,801	47,792,441

11.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 9.012 million (2022: 22.206).

12. SHARE CAPITAL

12.1 Authorized share capital

Authorized share capital comprises of 15,000,000 (2022: 7,500,000) Ordinary shares of Rs. 10 each.

12.2 Issued, subscribed and paid up capital

	2023 (Rupees)	2022 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	100,000,000	50,000,000
	100,000,000	50,000,000

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

2023 (Numbers)	2022 (Numbers)		2023 (Rupees)	2022 (Rupees)
		Ordinary shares		
10,000,000	5,000,000	Ordinary shares of Rs. 10 each paid in cash	100,000,000	50,000,000
			100,000,000	50,000,000

12.2.2 Reconciliation of number of shares outstanding

	2023 (Numbers)	2022 (Numbers)
Ordinary shares		
Number of shares at the beginning of the year	5,000,000	5,000,000
Bonus shares issued	5,000,000	-
	10,000,000	5,000,000

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		2023 (Rupees)	2022 (Rupees)

13 TRADE AND OTHER PAYABLES

Credit balances of clients	13.1	9,012,984	22,206,553
Accrued expenses		493,098	299,743
Auditor remuneration		230,000	200,000
		9,736,082	22,706,296

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

14. CONTINGENCIES AND COMMITMENTS

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

15. REVENUE

Commission income	8,942,728	13,188,763
Less: Sales Tax	(1,028,809)	(1,714,539)
	7,913,919	11,474,224

16. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries Allowances, and other benefit		12,527,201	14,812,300
Directors Remuneration		4,800,000	4,800,000
Travelling and conveyance expense		285,305	553,550
Rent, rates and taxes		41,655	283,692
Utility expense		415,651	291,058
Commission Paid		-	941,080
Printing and stationary expense		196,607	254,565
Computer software expense		522,972	632,718
Communication expense		356,080	373,938
Repair and Mainainance		1,056,649	849,193
Audit fee		230,000	281,000
Legal professional charges		120,000	170,000
Insurance expense		354,867	288,842
Entertainment expense		401,451	563,812
Depreciation expense		828,671	906,772
Bank charges		16,161	4,556
General expenses	16.1	122,600	206,569
Charity donation		3,425,000	3,575,000
Transaction Charges		686,920	836,160
Fees and subscription		737,955	254,925
		27,125,745	30,879,730

16.1 Auditor's Remuneration

Audit services

Annual audit fee	230,000	281,000
Other Certifications	-	-
Out of pocket expenses	-	-
	230,000	281,000

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17. OTHER INCOME

Realized capital loss on investment fair value through profit and loss	5,901,019	(12,371,559)
Unrealized capital loss on investment fair value through profit and loss	(28,492,763)	(48,972,254)
Income from dividend	7,718,500	7,317,855
Profit on bank deposit	2,031,466	2,090,984
Profit for cash exposure margin	859,331	498,523
Gain on sales of Fixed Assests	77,178	-
Share application commission	-	31,311
	(11,905,269)	(51,405,140)

18. TAXATION

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

Provision for taxation		
- Current year	1,179,977	1,200,420
- Prior year	-	1,438,526
- Deferred	-	-
Net tax expense	1,179,977	2,638,946

The company has tax losses in the previous years, on which deferred tax asset will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset amounting to Rs.9.29 million (2022: 7.8 million) has not been recorded.

18.1 Relationship between tax expense and accounting profit

Loss before taxation	(30,837,190)	(71,110,646)
Tax at the applicable rate 29% (2022:29%)	(8,942,785)	(20,622,087)
Tax effect of income taxed under lower rate of tax	5,302,689	16,924,361
Prior year taxation	-	1,438,526
Permanent difference	190,529	-
Deferred tax asset not recognized	4,629,544	4,898,146
	1,179,977	2,638,946

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

19.1 Financial instrument by category

19.1.1 Financial assets

	2023			
	At fair value through profit or loss	At fair value through OCI	Amortized cost	Total
Long-term deposits	-	-	8,770,000	8,770,000
Investment at fair value through profit and loss	114,926,233	-	-	114,926,233
Trade debts	-	-	2,452,096	2,452,096
Advances, deposits and prepayments	-	-	15,018,417	15,018,417
Bank balances	-	-	25,070,801	25,070,801
	114,926,233	-	51,311,314	166,237,547

	2022			
	At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long-term deposits	-	-	8,770,000	8,770,000
Investment at fair value through profit and loss	126,761,760	-	-	126,761,760
Trade debts	-	-	2,214,055	2,214,055
Advances, deposits and prepayments	-	-	24,506,679	24,506,679
Bank balances	-	-	47,792,441	47,792,441
	126,761,760	-	83,283,175	210,044,935

19.1.2 Financial Liabilities at Amortized Cost

	2023	
	Amount	Total
Trade and other Payables	**9,736,082**	**9,736,082**
	9,736,082	**9,736,082**

	2022	
	Amount	Total
Trade and other Payables	22,706,296	22,706,296
	22,706,296	22,706,296

19.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk
Operational risk

19.2.1 Credit risk

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

Exposure to Credit risk

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

Credit risk is minimized due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2023	2022
	Rupees	
Long term deposits	8,770,000	8,770,000
Investment at fair value through profit and loss	114,926,233	126,761,760
Trade debts	2,452,096	2,214,055
Advances, deposits, prepayments and other receivables	8,224,000	18,229,000
Bank Balances	25,007,978	47,769,753
	159,380,307	203,744,568

19.2.2 **Bank Balances**

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

	2023	2022
	Rupees	
AAA	24,877,906	47,393,869
AA+	44,006	122,345
AA-	42,387	134,387
Other	43,679	119,151
	25,007,978	47,769,752

The credit rating agency are PACRA and JCR-VIS.

19.2.3 **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

	2023				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	9,736,082	9,736,082	9,736,082	-	-
	9,736,082	9,736,082	9,736,082	-	-

	2022				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	22,706,296	22,706,296	22,706,296	-	-
	22,706,296	22,706,296	22,706,296	-	-

On the balance sheet date, the company has cash and bank balances of Rs. 25.07 million (2022: 47.79 million) and Investments of Rs 122.93 million (2022: 137.82 million) for repayment of liabilities.

19.3 **Market risk**

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

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

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The interest rate risk is insignificant as all interest based assets are linked with market interest rate.

Other price risk

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

The company's investment are exposed to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through surplus funds.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	**10% Decrease**
as at 30th June 2023	**11,492,623**	**(11,492,623)**
as at 30th June 2022	12,676,176	(12,676,176)

19.4 **Fair value of Financial instruments**

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

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

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

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

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

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

	2023		
	Level 1	Level 2	Level 3
	(Rupees)		
Investment in quoted securities	122,927,069	-	-
	122,927,069	-	-

	2022		
	Level 1	Level 2	Level 3
	(Rupees)		
Investment in quoted securities	137,822,375	-	-
	137,822,375	-	-

19.5 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.

20. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	4,800,000	-	7,332,000	4,800,000	-	7,332,000
Bonus	-	-	-	-	-	-
	4,800,000	-	7,332,000	4,800,000	-	7,332,000
Number of persons (including those who worked part of the year)	1	-	5	1	-	5

21. RELATED PARTY TRANSACTIONS

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

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Muhammad Siddique Dalal	Shareholder/CEO	Remuneration	**4,800,000**	4,800,000

22. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	9,781,667	9,781,667	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	**Investment in Debt. Securities**		-	-
	If listed than:		-	-
	i. 5% of the balance sheet value in the case of tenure upto 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.		-	-
	If unlisted than:		-	-
	i. 10% of the balance sheet value in the case of tenure upto 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	**Investment in Equity Securities**		-	-
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher.	122,927,069	41,740,717	81,186,352
	Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	-	-	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries		-	-
1.7	**Investment in associated companies/undertaking**		-	-
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.		-	-
	ii. If unlisted, 100% of net value.		-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (100% of net value, however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC).	1,260,000	1,260,000	-
1.9	Margin deposits with exchange and clearing house.	10,000	-	10,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	7,510,000	7,510,000	-
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.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months PLUS ii. Advance tax to the extent it is netted with provision of taxation.	7,358,417	7,358,417	-
	iii. Receivables other than trade receivables	7,650,000	7,650,000	-
1.16	**Receivables from clearing house or securities exchange(s)**		-	-
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
1.17	**Receivables from customers**			-
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***		-	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	1,340,173	-	1,340,173

	iv. Balance sheet value			
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	1,132,018	72,226	1,059,792
	vi. In the case of amount of receivable form related parties; values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: *a. Up to 30 days, values determined after applying VaR based haircuts;* *b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based* *haircuts whichever is higher;* *c. Above 90 days, 100% haircut shall be applicable.*	-	-	-
1.18	**Cash and Bank balances**		-	-
	i. Bank Balance-proprietory accounts	15,751,645	-	15,751,645
	ii. Bank balance-customer accounts	9,256,333	-	9,256,333
	iii. Cash in hand	62,823	-	62,823
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	i. 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.			
	ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities			
	iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares.			
1.20	**Total Assets**	**186,790,145**		**108,667,118**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	9,012,984	-	9,012,984
2.2	**Current Liabilities**			-
	i. Statutory and regulatory dues	723,098	-	723,098
	ii. Accruals and other payables	-	-	-
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			-
	i. Long-Term financing		-	-
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease		-	-
	b. Other long-term financing		-	-
	ii. Staff retirement benefits	13,798,000	-	13,798,000
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		-	-
2.4	**Subordinated Loans**		-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted		-	-
2.5	**Advance against shares for increase in capital of securities broker**			
	100% Haircut may be allowed in respect of advance against shares if : (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all			

	regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital			
2.6	**Total Liabilites**	23,534,082		23,534,082
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issuse : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	-	-
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	-	-	-
		163,256,063	**Liquid Capital**	85,133,036

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	108,667,118
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(23,534,082)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	85,133,036

23. CAPITAL ADEQUACY LEVEL

Total Assets	**186,770,050**	233,656,710
Less: Total Liabilities	**(23,534,082)**	(35,343,796)
Less: Revaluation Reserves	**-**	-
Capital Adequacy Level.	**163,235,968**	198,312,914

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Dalal Securities Pakistan (Private) Limited as at year ended 30th June 2023 determined by Pakistan Stock Exchange has been considered.

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

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

24.1 Person holding more than 5% of shares

	2023	2022	**2023**	2022
	% of Holding		Number of Shares	
Muhammad Siddique Dalal	**59.70%**	59.70%	**5,970,000**	2,985,000
Muhammad Shoaib Dalal	**40.00%**	40.00%	**4,000,000**	2,000,000

24.2 During the year, Mr. Muhmmad Siddique Dalal, acquired 2,985,000/- shares, Mr. Muhammad Shoaib Dalal acquired 2,000,000/- shares and Mr. Adil Siddique Dalal acquired 15,000/- shares of the company.

24.3 As at June 30, 2023, customer pledged securities with the financial institutions amounting to Rs. 56.167 (2022: 59.678) and no company's securities pledged with the financial institutions

24.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 1,645.922 million (June 30, 2022: Rs. 1,965.430 million).

25. NUMBER OF EMPLOYEES

	2023 (Numbers)	2022 (Numbers)
Total employees of the Company at the year end	11	11
Average employees of the Company during the year	11	11

26. CORREPONDING FIGURES

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

27 DATE OF AUTHORISATION

27.1 These financial statements have been authorised for issue by the Board of Directors of the Company on 2 - OCT 2023

Chief Executive

Director