

VALUE STOCK AND COMMODITIES (PVT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT

To the members of Value Stock and Commodities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises of Directors' Report, Company's Corporate information, Shareholder Information and Financial Highlights (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.

Taf

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

Taf

5. 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVI of 1980); and
- 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 Mr. Muhammad Safder, FCA.

Tariq Abdul Ghani Maqbool & Co.
Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants



Place: Lahore

Date: October 06, 2023

UDIN: AR202310233qu3y1bfdJ

Value Stock and Commodities (Private) Limited
Statement of Financial Position
As at June 30, 2023

		2023	2022
	Note	Rupees	
ASSETS			
Non-current assets			
Property and equipment	8	34,628,792	38,573,652
Intangible assets	9	3,750,000	3,750,000
Long-term investment	10	9,006,813	20,466,394
Long term deposits	11	4,497,863	3,454,534
Deferred tax-net	12	-	12,359,239
		51,883,468	78,603,819
Current assets			
Trade debts	13	6,402,680	1,430,790
Advances-considered good	14	2,947,591	2,036,818
Trade deposits and other receivables	15	8,006,966	21,475,681
Due From Related Parties	16	7,060,000	-
Advance income tax	17	513,958	715,944
Short-term investments	18	53,753,908	63,583,394
Cash and bank balances	19	19,514,709	12,248,734
		98,199,812	101,491,361
		150,083,280	180,095,180
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	20	150,000,000	150,000,000
Issued, subscribed and paid up share capital	20	100,000,000	100,000,000
Revenue reserves			
Appreciation / (Deficit) on remeasurement of investments classified at FVOCI		-	(4,347,755)
Accumulated profit / (losses)		10,000,608	23,049,350
		110,000,608	118,701,596
Non-current liabilities			
Liability against assets subject to finance lease	21	1,157,492	5,839,302
Current liabilities			
Current portion of non-current liabilities	21	5,139,739	4,962,721
Due to related parties	22	11,228,000	19,720,000
Trade and other payables	23	19,461,904	30,871,561
Deferred tax-net	12	3,095,537	-
		38,925,180	55,554,282
Contingencies and commitments			
	24	-	-
		40,082,672	61,393,584
		150,083,280	180,095,180

The annexed notes from 1 to 40 form an integral part of these financial statements.

TAGM

Chief Executive Officer



Director

Value Stock and Commodities (Private) Limited
Statement of Profit or Loss
For the year ended June 30, 2023

		2023	2022
	Note	Rupees	
Operating revenue	25	26,977,192	34,016,341
Operating and administrative expenses	26	(39,139,345)	(36,071,238)
Operating profit / (loss)		(12,162,153)	(2,054,897)
Other operating income	27	21,884,836	25,892,121
Finance cost	28	(1,726,778)	(1,293,133)
Profit before taxation		7,995,905	22,544,091
Income tax (expense) / credit	29	(16,696,893)	5,427,587
Profit/(loss) for the year		(8,700,988)	27,971,678

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

TAGM

Director

Value Stock and Commodities (Private) Limited
Statement of Comprehensive Income
For the year ended June 30, 2023

	Note	2023	2022
		(Rupees)	
Profit for the year		(8,700,988)	27,971,678
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit and loss			
Unrealized appreciation during the year on remeasurement of investments classified at FVOCI- net of deferred tax		-	611,207
Total comprehensive profit/(loss) for the year		<u>(8,700,988)</u>	<u>28,582,885</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

TAGM

Chief Executive Officer



Director

Value Stock and Commodities (Private) Limited
Statement of Changes in Equity
For the year ended June 30, 2023

	Issued, subscribed and paid up share capital	Capital reserves Unrealized appreciation on remeasurement of investments classified at FVOCI	Revenue reserves Accumulated profit / (losses)	Total
	Rupees			
Balance as at 01 July, 2021	100,000,000	(4,958,962)	(4,922,329)	90,118,709
Other comprehensive income for the year	-	611,207	-	611,207
Profit for the year	-	-	27,971,678	27,971,678
Balance as at 30 June, 2022	100,000,000	(4,347,755)	23,049,350	118,701,596
Balance as at 01 July, 2022	100,000,000	(4,347,755)	23,049,350	118,701,596
Transfer of Gain / (Loss) on disposal of equity investment at FV-OCI to Retain earnings	-	4,347,755	(4,347,755)	-
Profit/(Loss) for the year	-	-	(8,700,988)	(8,700,988)
Balance as at 30 June, 2023	100,000,000	-	10,000,607	110,000,608

The annexed notes from 1 to 40 form an integral part of these financial statements.

TAGM

Chief Executive Officer



Director

Value Stock and Commodities (Private) Limited
Statement of Cash Flows
For the year ended June 30, 2023

		2023	2022
	Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,995,905	22,544,091
Adjustments for non-cash and other items:			
Depreciation of property and equipment	8	5,341,195	3,917,757
Allowance for expected credit loss	13	607,316	16,648
Unrealized (gain) / loss on remeasurement of short term investments	26	(17,595,842)	(19,609,170)
Gain on sale of fixed assets	26	-	(508,352)
Loss on Sale of investment	28	11,459,581	1,293,133
Finance cost		1,726,778	(14,889,985)
		<u>1,539,028</u>	<u>(14,889,985)</u>
Operating profit / (loss) before working capital changes		9,534,933	7,654,107
Changes in working capital:			
Trade debts		(5,579,205)	7,541,618
Advances-considered good		(910,773)	(658,705)
Trade deposits and other receivables		13,468,715	(1,861,043)
Trade and other payables		(11,409,657)	(23,369,066)
		<u>(4,430,920)</u>	<u>(18,347,196)</u>
Cash generated from operations		5,104,013	(10,693,089)
Interest paid		(1,726,778)	(1,507,128)
Income taxes paid	17	(1,040,130)	(1,544,127)
		<u>(2,766,908)</u>	<u>(3,051,255)</u>
Net cash generated from operating activities		2,337,105	(13,744,344)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	8	(1,396,335)	(30,839,502)
Proceeds from sale of operating fixed assets	8	-	1,085,000
Purchase of securities for short term investment-net		27,425,329	25,568,632
Long-term deposits		(1,043,329)	(359,989)
Net cash (used in)/from investing activities		24,985,665	(4,545,858)
CASH FLOWS FROM FINANCING ACTIVITIES			
Settlement of / (obtained) finance lease		(4,504,795)	8,271,028
Obtained / (repayments) of due to related parties		(8,492,000)	(8,208,080)
Provided / (receipt) of due from related parties		(7,060,000)	-
Net cash used in financing activities		<u>(20,056,795)</u>	<u>62,948</u>
Net increase/ (decrease) in cash and cash equivalents		7,265,975	(18,227,254)
Cash and cash equivalents at the beginning of the year		12,248,734	30,475,987
Cash and cash equivalents at the end of the year	18	<u>19,514,709</u>	<u>12,248,734</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

TAGM



Director

Value Stock and Commodities (Private) Limited
Notes to the Financial Statements
For the year ended June 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Value Stock and Commodities (Private) Limited (the "Company") was incorporated in Pakistan on March 30, 2006 as a Private Company under the repealed Companies Ordinance, 1984. The Company's registered office is situated at Room No. 114, South Tower, LSE Plaza, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

1.1 The geographical locations and addresses of company branches are as under:

Head Office: Room No. 114, South Tower, LSE Plaza, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore.
Gujranwala Branch: 29/B, Near faizan-e-Madina Masjid, OT Road, Gujranwala.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

3 BASIS OF PREPARATION

3.1 Statement Of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

3.2 New amended standards and interpretations

Standards, amendments to approved accounting standards and interpretations that are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

(a) IAS 37 Onerous contracts

Effective date:

January 1, 2022

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labor and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 Proceeds before an asset's intended use

Effective date:

June 1, 2022

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

TAGM

(c) IAS 1 Classification of liabilities as current or non current

Effective date:
June 1, 2022

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

(d) IAS 1 Disclosure of accounting policies

Effective date:
January 1, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(e) IAS 1 Disclosure of accounting policies

Effective date:
January 1, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(f) IAS 1 Disclosure of accounting policies

Effective date:
January 1, 2023

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as financial assets measured at fair value through profit or loss, or through other comprehensive income or amortised cost) and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

6 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

TAGM

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 revision and future periods in other cases. Judgments made by management in the application of approved accounting standards that may have a significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

6.1 Depreciation method, rates and useful lives of property and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.

6.2 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

6.3 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

6.4 Expected credit losses

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

7 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, unless otherwise stated.

7.1 Property, plant and equipment

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

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, maintenance and day-to-day servicing expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in Note 8 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 when the asset is available for use until the asset is disposed off.

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 and loss account in the year in which the asset is derecognized.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

TAGM

7.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

7.3 Financial Instruments

Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

(I) Initial Measurement

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case maybe.

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

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

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

(II) Subsequent Measurement

- **Debt Investments at FVOCI:** These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. 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 or loss.
- **Equity Investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss 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 reclassified to the statement of profit or loss.
- **Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in profit or loss.
- **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 / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

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

TAGM

De-recognition

(I) Financial assets

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

(I) Financial liabilities

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

Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Derivatives

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealized gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealized gains are included in other assets while unrealized losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

7.4 Leases

For contracts entered into, or modified, on or after January 1, 2019; the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

7.4.1 Company as a lessee

Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

TAGM

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to

Right-of-use

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

7.5 Impairment

7.5.1 Financial assets

The Company's financial assets that are subject to the impairment requirements of IFRS 9 are trade receivables, advisory and consultancy fee receivable.

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all above mentioned financial assets. The Company measures expected credit losses in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

TAGM

7.5.2 Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether there are any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the carrying amount of the asset (or CGU) that would have been determined (net of depreciation / amortization) had no impairment loss been recognized.

7.6 Trade debts and receivables

Financial assets

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

Trade debts and other receivables

Trade debts and other receivables are stated initially at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

7.7 Income tax

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year. The charge for current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is charged or credited to the income statement, 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.

TAGM

The Company takes into account current income tax law and decisions taken by tax authorities. In instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the relevant amounts are disclosed as contingent liabilities.

7.8 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, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

7.9 Share capital

Ordinary shares are classified as equity and recognised at their face value.

7.10 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 embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

7.11 Borrowings

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

7.12 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

7.13 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 and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Underwriting commission (if any) is recognized when the agreement is executed. Take-up commission is recognized at the time the commitment is fulfilled.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which
- Unrealized capital gains / (losses) arising from marking to market financial assets classified as financial assets at fair value through profit or loss are included in profit and loss during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

7.14 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

7.15 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at mutually agreed prices duly approved by the Board.

TAGM

8 PROPERTY AND EQUIPMENT

		2023	2022
		Rupees	
Operating fixed assets	8.1	26,948,292	27,267,552
Advance for the purchase of vehicles		7,680,500	11,306,100
		<u>34,628,792</u>	<u>38,573,652</u>

8.1 Operating fixed assets

	Owned Assets					Leased Asset Right of use assets	Total
	Office building	Furniture and fixtures	Office equipment	Computer accessories	Vehicles	vehicles	
	Rupees						
At 30 June 2022							
Cost	4,178,808	1,729,967	2,900,436	2,440,100	2,904,500	14,153,811	36,040,763
Accumulated depreciation	(167,152)	(1,377,407)	(1,537,951)	(1,989,880)	(859,061)	(5,931,451)	(8,773,211)
Net book value	<u>4,011,656</u>	<u>352,560</u>	<u>1,362,485</u>	<u>450,220</u>	<u>2,045,439</u>	<u>8,222,360</u>	<u>27,267,552</u>
Year ended 30 June 2023							
Opening net book value	4,011,656	352,560	1,362,485	450,220	2,045,439	8,222,360	27,267,552
Additions-at cost	-	-	2,092,435	29,500	2,900,000	5,021,935	5,021,935
Depreciation charge	(160,466)	(70,512)	(303,070)	(94,829)	(903,280)	(1,532,157)	(5,341,195)
Closing net book value	<u>3,851,190</u>	<u>282,048</u>	<u>3,151,850</u>	<u>384,891</u>	<u>4,042,159</u>	<u>11,712,138</u>	<u>26,948,292</u>
At 30 June 2023							
Cost	4,178,808	1,729,967	4,992,871	2,469,600	5,804,500	19,175,746	41,062,698
Accumulated depreciation	(327,618)	(1,447,919)	(1,841,021)	(2,084,709)	(1,762,341)	(7,463,608)	(14,114,406)
Net book value	<u>3,851,190</u>	<u>282,048</u>	<u>3,151,850</u>	<u>384,891</u>	<u>4,042,159</u>	<u>11,712,138</u>	<u>26,948,292</u>
Rate of depreciation per annum	<u>4%</u>	<u>20%</u>	<u>10%</u>	<u>20%</u>	<u>20%</u>	<u>-</u>	<u>-</u>

8.2 The leased vehicles are in the name of Chief Executive Officer (CEO) of the company, these vehicles will be transferred after the end of lease term in the name of company in accordance with the agreement between the CEO and the company.

T.A.G.M

9 INTANGIBLE ASSETS

	Note	2023 —Rupees—	2022
PSX Trading Rights Entitlement Certificate ("TREC")	9.1	2,500,000	2,500,000
Impairment on TREC		-	-
		<u>2,500,000</u>	<u>2,500,000</u>
PMEX Trading Rights Certificate		<u>1,250,000</u>	<u>1,250,000</u>
		<u>3,750,000</u>	<u>3,750,000</u>

- 9.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. There is no active market for determination of value of TREC. TREC has been valued at notional value of Rupees 2.5 million notified in PSX Rule Book. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

		2023 —Rupees—	2022
10 LONG TERM INVESTMENT			
Unquoted Shares of LSE Financial Services Limited:			
Opening value as at 1st July 2022	10.1	20,466,394	19,605,539
Adjustment for remeasurement to fair value		-	860,855
Adjustment for Restructuring of LSEFSL to LSEPL & LSEVL		<u>(20,466,394)</u>	<u>-</u>
Fair value at year-end		<u>-</u>	<u>20,466,394</u>
Quoted Shares of LSEPL & LSEVL			
Opening value as at 1st July 2022		-	-
Adjustment for Restructuring - LSEPL Share's fair value	10.2	1,421,523	-
Adjustment for Restructuring - LSEVL Share's fair value	10.2	7,585,290	-
Adjustment for remeasurement to fair value		-	-
Fair value at year-end		<u>9,006,813</u>	<u>-</u>

- 10.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 9.1, the Company received 843,975 shares of LSE Financial Services Limited. Of these, 60% (506,385 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 337,590 shares) were allotted to the Company.

- 10.2 During the year, the LSEFSL, through a court's petition, went through a major restructuring and was amalgamated with and into two of its newly incorporated subsidiary companies i.e., LSE Ventures Limited ("LSEVL") and LSE Proptech Limited ("LSEPL").

As a result of the said amalgamation/restructuring, the company received 842,810 shares of LSEVL and 295,536 shares of LSEPL respectively in lieu of 843,975 shares of LSEFSL. Shares of both LSEVL & LSEPL are quoted on PSX and market value of their shares is Rs. 7,585,290 and Rs. 1,421,523 respectively as at June 30, 2023.

505,686 out of 842,810 shares of LSEVL having fair value of Rs. 4,551,174 and 177,321 out of 295,535 shares of LSEPL having fair value of Rs. 852,914 are pledged with the PSX to meet BMC requirements.

TAGM

11 LONG TERM DEPOSITS

	Note	2023	2022
		Rupees	
CDC membership deposit		100,000	100,000
NCCPL membership deposit		200,000	200,000
Trading deposits with PMEX		1,434,063	340,734
Margin deposits with PSX		187,800	187,800
Security deposit with PMEX		750,000	750,000
DFC initiation deposit		1,000,000	1,000,000
Other security deposits		826,000	876,000
		<u>4,497,863</u>	<u>3,454,534</u>

12 DEFERRED TAX-NET

	2023			
	At July 01, 2022	Recognised in Profit or Loss Account	Recognised in OCI	At June 30, 2023
Taxable temporary differences				
Finance lease	2,069,802	522,486	-	2,592,288
Accelerated tax depreciation allowance	516,933	(516,933)	-	-
Short-term investments	(9,708,697)	14,811,491	-	5,102,794
	<u>(7,121,962)</u>	<u>14,817,044</u>	<u>-</u>	<u>7,695,082</u>
Deductible temporary differences				
Allowance for expected credit loss	60,880	63,707	-	124,587
Long-term investment	(249,648)	-	249,648	-
Tax credits / tax losses	5,426,044	(951,086)	-	4,474,958
	<u>5,237,276</u>	<u>(887,379)</u>	<u>249,648</u>	<u>4,599,545</u>
Deferred Tax Asset/(Liability)-Net				<u>(3,095,537)</u>

DEFERRED TAX-NET

	2022			
	At July 01, 2021	Recognised in Profit or Loss Account	Recognised in OCI	At June 30, 2022
Taxable temporary differences				
Finance lease	(224,698)	2,294,500	-	2,069,802
Accelerated tax depreciation allowance	266,311	250,622	-	516,933
Long-term investment	-	-	249,648	249,648
	<u>41,613</u>	<u>2,545,122</u>	<u>249,648</u>	<u>2,836,383</u>
Deductible temporary differences				
Allowance for expected credit loss	112,105	(51,225)	-	60,880
Short-term investments	589,096	9,119,601	-	9,708,697
Tax credits / tax losses	5,811,986	(385,942)	-	5,426,044
	<u>6,513,187</u>	<u>8,682,434</u>	<u>-</u>	<u>15,195,622</u>
Deferred tax asset-net				<u>12,359,239</u>

13 TRADE DEBTS

		2023	2022
		Rupees	
Trade receivables from customers against trading activities			
Considered good	13.1	6,402,680	1,430,790
Considered doubtful	13.2	429,609	209,933
		<u>6,832,289</u>	<u>1,640,723</u>
Less: Allowance for expected credit loss	13.2	429,609	209,933
		<u>6,402,680</u>	<u>1,430,790</u>

TAGM

- 13.1 The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

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. 6,562,460 (2022: Rs. 39,496,345).

Shares with fair value Rs. Nil (2022: Rs. 19,182,500) related to clients have been pledged with Financial Institutions.

Trade receivables include PKR 5,387,419/- (2022: Nil) receivable from related parties and maximum aggregate amount outstanding at any time during the year from related parties was Rs. 16,149,174 (2022: Rs. 19,330,557)

13.2 Movement in allowance for expected credit loss

	2023	2022
	Rupees	
Opening balance (as at July 1, 2022)	209,933	193,285
Charged during the year	607,316	16,648
Amounts written off during the year	(387,640)	-
Closing balance (as at June 30, 2023)	429,609	209,933

14 ADVANCES-CONSIDERED GOOD

	2023	2022
	Rupees	
Staff advances - unsecured	2,935,114	2,036,818
Advances & Prepayments	12,477	-
	2,947,591	2,036,818

15 TRADE DEPOSITS AND OTHER RECEIVABLES

	2023	2022
	Rupees	
Clearing House Deposits (Reg. & Fut)	4,013,338	17,013,338
Margin trading system (MTS) receivable	-	4,147,831
N.C.H Clearing House	3,675,348	-
Other receivable	318,280	314,512
	8,006,966	21,475,681

16 DUE FROM RELATED PARTIES

	2023	2022
	Rupees	
Mr. Khurram Gulzar	7,060,000	-
	7,060,000	-

- 16.1 Due from related parties is short term, interest free and unsecured and maximum aggregate amount outstanding at any time during the year from related parties was Rs. 7,060,000 (2022: Rs. 8,300,000)

17 ADVANCE INCOME TAX

	2023	2022
	Rupees	
Opening balance	715,944	90,471
Collected / paid during the year	1,040,130	1,544,127
	1,756,074	1,634,598
Adjusted against tax liabilities	(1,242,116)	(918,654)
	513,958	715,944

- 17.1 Income tax assessments of the Company are deemed to be finalized as per tax returns filed up to tax year 2022. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities.

18 SHORT TERM INVESTMENTS

	2023	2022
	Rupees	
At fair value through profit or loss		
Quoted securities avg. cost as at June 30, 2023	36,158,066	67,862,856
Movement in fair value	17,595,842	(4,279,462)
Quoted securities as at June 30, 2023	53,753,908	63,583,394

- 18.1 Shares having fair value of PKR 19,182,500 (2022: PKR 52,094,450) have been pledged with financial institutions and PSX.

- 18.2 The company holds 1,400,923 (2022: 1,749,025) shares of different inactive companies having no fair value at year end.

TAGM

19 CASH AND BANK BALANCES

		2023	2022
		Rupees	
Cash in hand		2,107	8,382
Cash at banks	19.1		
Proprietary accounts		7,511,977	2,185,963
Client accounts	19.2	12,000,625	10,054,389
		19,512,602	12,240,352
		19,514,709	12,248,734

19.1 The detail and bifurcation of cash balance at banks in current and saving accounts is as follows:

19.2 Clients' funds are segregated from the Company's own funds and held in designated bank accounts.

Cash at banks			
Current accounts		7,518,668	2,192,654
Savings accounts	19.3	11,993,933	10,047,698
		19,512,601	12,240,352

19.3 The return on these balances is 19% (2022: 7.5%) per annum on daily product basis.

20 SHARE CAPITAL

20.1 Authorized capital			
150,000 (2022: 150,000) ordinary shares of PKR 1,000/- each.		150,000,000	150,000,000
20.2 Issued, subscribed and paid up share capital			
100,000 (2022: 100,000) ordinary shares of PKR 1,000/- each, issued for cash		100,000,000	100,000,000
20.3 Shareholders holding 5% or more of total shareholding			

	Number of Shares		Percentage	
	2023	2022	2023	2022
Mr. Kamran Gulzar	33,300	33,300	33%	33%
Mr. Khuram Gulzar	66,600	33,300	66%	33%
Mr. Aman Ullah	-	33,300	0%	33%
	100,000	100,000	100%	100%

21 LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

	2023	2022
	Rupees	
Present value of minimum lease payments	6,297,231	10,802,023
Less: Current portion	(5,139,739)	(4,962,721)
	1,157,492	5,839,302
Minimum lease rentals payable:		
Within one year	6,869,667	6,500,171
After one year but within five years	1,547,480	7,609,607
After five years	-	-
	8,417,147	14,109,778
Less: Future financial charges	(2,119,917)	(3,307,755)
Net lease obligation	6,297,230	10,802,023

21.1 The Company has access to lease finance facilities from Dubai Islamic Bank Limited under the Islamic financing mode. The rentals against the facility are payable on monthly basis. The facilities are secured against ownership of the leased vehicles in the name of Dubai Islamic Bank Limited.

22 DUE TO RELATED PARTIES

	2023	2022
	Rupees	
Mr. Kamran Gulzar	11,228,000	-
Mr. Aman Ullah	-	19,720,000
	11,228,000	19,720,000

22.1 Due to related parties is short term, interest free and un-secured to meet the working capital requirements.

TAGM

23 TRADE AND OTHER PAYABLES

	2023	2022
	Rupees	
Trade creditors	15,424,871	24,935,689
Withholding tax payable	24,403	63,217
Commission incentive payable	643,390	717,348
Accrued and other payables	3,369,240	3,545,833
National clearing system payable	-	1,609,474
	<u>19,461,904</u>	<u>30,871,561</u>

23.1 It includes an amount of Rs 2,829,768 (2022: 8,069,599) payable to the related parties in respect of their trading accounts.

24 CONTINGENCIES AND COMMITMENTS**Commitments**

There were no commitments of the company as at June 30, 2023 (2022: Nil).

Contingencies

Claims subject to legal proceedings:

The details of cases by and against the company which are currently subject to the legal proceedings are detailed below

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date Instituted
RTO (corporate) Lahore	respect of tax year 2018. The notice referring to the matter, that as being a prescribed person under sub-section (7) of section 153 of Income Tax Ordinance, 2001, company is required to deduct tax at source while making payments against purchases and services rendered. However, company has submitted the reply in detail and compliance with the notice has been made within due date. The case is still pending and is subject to further consideration and management of the company is expecting favorable outcome.	Value stock and commodities (pvt) Ltd. and Federal Board of Revenue.	#####
Corporate Tax Office (CTO) Lahore	The FBR has issued a show cause notice under Section 11(1) read with Section 26 and 33(1) of the Sales Tax Act, 1990. In this notice Assistant / Deputy Commissioner has required the Company to file the Sales Tax Returns for the period (December 2016 and January 2017 to August 2017).	Value stock and commodities (pvt) Ltd. and Federal Board	January 28, 2021

25 OPERATING REVENUE

	2023	2022
	Rupees	
Brokerage income	25,653,307	30,303,735
Income from services	<u>1,323,885</u>	<u>3,712,606</u>
	<u>26,977,192</u>	<u>34,016,341</u>

26 OPERATING AND ADMINISTRATIVE EXPENSES

	2023	2022
	Rupees	
Salaries, wages and benefits	16,638,884	16,020,066
Telephone, internet and other	421,138	345,095
Rent, rates and taxes	2,362,964	271,786
Printing and stationery	143,681	102,266
Postage and telephone	96,869	176,804
Travelling and conveyance	762,090	772,225
Legal and professional charges	203,586	200,895
Fee and subscription	229,425	350,068
Commission incentive expense	4,807,830	4,093,984
CDC / NCCPL / LSE charges	<u>2,292,579</u>	<u>2,595,632</u>

TAGM

Provision for expected credit loss	607,316	16,648
Computer expenses	125,540	298,323
PMEX charges	51,925	65,725
Entertainment	356,531	537,042
Office expenses	1,527,246	1,313,776
Auditor's remuneration	428,570	428,570
Utilities	598,193	530,059
Charity & donation	225,000	2,106,000
Insurance	666,229	401,989
Miscellaneous expenses	1,252,555	1,526,529
Depreciation	5,341,195	3,917,757
	<u>39,139,345</u>	<u>36,071,238</u>

8.1

27 OTHER OPERATING INCOME / (EXPENSE)

	2023	2022
	—Rupees—	
Income from financial assets		
Dividend income	6,855,960	7,968,039
Profit on deposits with banks	1,606,044	917,169
Mark up on exposure deposits	-	806,803
Gain / (loss) on investments held for trading - unrealized	17,595,842	19,609,170
Gain / (loss) on investments held for trading - realized	9,270,992	(4,157,412)
Gain / (loss) on investments held at FV-OCI - realized	(11,459,581)	-
Balances written off	(1,984,421)	-
Income from non-financial asset		
Profit on sale of fixed assets	-	508,352
Miscellaneous income	-	240,000
	<u>21,884,836</u>	<u>25,892,121</u>

28 FINANCE COST

	2023	2022
	—Rupees—	
Mark-up on lease finance facility	1,694,367	1,244,818
Bank charges	32,411	48,315
	<u>1,726,778</u>	<u>1,293,133</u>

29 TAXATION

	2023	2022
	—Rupees—	
Current income tax		
Normal tax regime		
Prior year	(123,493)	(701,756)
Current year	337,215	425,204
Final tax regime	1,028,394	1,195,206
Deferred tax (income) / expense	15,454,776	(6,346,241)
	<u>16,696,893</u>	<u>(5,427,587)</u>

- 29.1 The provision for current tax represents minimum tax on revenue at the rate of 1.25%. Sufficient tax provision has been incorporated in these financial statements. Reconciliation of tax expense and product of accounting profit multiplied by tax rate is not required in view of applicability of minimum tax.

TAGM

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive and directors of the company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	1,600,880	560,018	1,040,052	1,800,090	545,360	-
House rent allowance	799,920	279,972	519,948	899,910	274,973	-
Number of persons	1	1	1	1	1	-

30.1 The Chief Executive of the company are provided with free use of the company's owned and maintained car.

30.2 Executives means an employee of the company other than the chief executive and directors whose basic salary exceeds Rs 1.2 million in a financial year.

TAGM

31 FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	At fair value 'through profit and loss'	Amortised Cost	At fair value 'through other comprehensive income'	Other financial liabilities
	Rupees			
30 June 2023				
Financial Assets				
Trade debts	-	6,402,680	-	-
Advances-considered good	-	2,947,591	-	-
Trade deposits and other receivables	-	8,006,966	-	-
Short-term investments	53,753,908	-	-	-
Cash and bank balances	-	19,514,709	-	-
Long term deposits	-	4,497,863	-	-
Long-term investment	-	-	9,006,813	-
	53,753,908	41,369,809	9,006,813	-
Financial Liabilities				
Trade and other payables	-	-	-	19,461,904
Accrued markup	-	-	-	-
Liability against assets subject to finance lease	-	-	-	1,157,492
Current portion of non-current liabilities	-	-	-	5,139,739
Due to related parties	-	-	-	11,228,000
	-	-	-	36,987,135
30 June 2022				
Financial Assets				
Trade debts	-	1,430,790	-	-
Advances-considered good	-	2,036,818	-	-
Trade deposits and other receivables	-	21,475,681	-	-
Short-term investments	63,583,394	-	-	-
Cash and bank balances	-	12,248,734	-	-
Long term deposits	-	3,454,534	-	-
Long-term investment	-	-	20,466,394	-
	63,583,394	40,646,557	20,466,394	-
Financial Liabilities				
Trade and other payables	-	-	-	30,871,561
Accrued markup	-	-	-	-
Liability against assets subject to finance lease	-	-	-	5,839,302
Current portion of non-current liabilities	-	-	-	4,962,721
Due to related parties	-	-	-	19,720,000
	-	-	-	61,393,584

None of the financial assets and financial liabilities have been netted off in the financial statements.

TAGM

32 FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/ mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below:

The Board of Directors has overall responsibility for the establishment and oversight of company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

a) Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company is not exposed to currency risk since there are no material foreign currency transactions and balances at the reporting date.

II) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date the Company was exposed to equity risk since it had investments in quoted securities amounting to Rs. 53.7 million (2022: 63.5 million) and also because the company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark PSX 100 Index has decreased by almost 0.43% (2022: decreased by 12.28%) during the financial year.

The table below summarizes company's equity price risk as of June 30, 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical changes in price	Hypothetical increase/(decrease) in shareholders equity	Hypothetical increase/(decrease) in profit/(loss) after tax
June 30, 2023	53,753,908	10% increase	59,129,299	3,816,527	3,816,527
		10% decrease	48,378,517	(3,816,527)	(3,816,527)
June 30, 2022	63,583,394	10% increase	69,941,734	4,514,421	4,514,421
		10% decrease	57,225,055	(4,514,421)	(4,514,421)

TAGM

III) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

	2023	2022	2023	2022
	Effective interest rate (%)		Carrying amounts (Rupees)	
Financial Assets				
Bank deposits - pls account	19.0%	7.5%	<u>11,993,933</u>	<u>10,047,698</u>
Financial liabilities				
Assets subject to finance lease			<u>6,297,231</u>	<u>10,802,023</u>

b) 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 into account the fair value of any collateral.

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks and financial institutions, trade debts, short term loans, loan to related party, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

	Note	2023	2022
		(Rupees)	
Long-term deposits		4,497,863	3,454,534
Trade debts	32.1.1 & 32.1.2	6,832,289	1,640,723
Advances-considered good		2,947,591	2,036,818

32.1.1 The Company holds securities with a cumulative fair value of Rs. 6,562,460 (2022: Rs. 39,496,345) owned by its clients as collateral against trade debts. Refer to note 3.7 for details around the Company's methodology for computing expected credit losses under the expected credit loss model under IFRS 9.

Bank balances	19,512,601	12,240,352
	<u>33,790,344</u>	<u>19,372,427</u>

32.1.2 The aging analysis of the receivable from clients as at the reporting date is as follows:

	2023	2022
	(Rupees)	
Not past due	124,480	72,359
Past due 1 day - 30 days	2,238,135	12,743
Past due 31 days - 180 days	3,574,469	321,257
Past due 181 days - 365 days	383,006	985,942
More than one year	512,200	248,422
	<u>6,832,290</u>	<u>1,640,723</u>

TAGM

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

32.1.3

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	June 30, 2023	
		Short term	Long term
National Bank of Pakistan	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Summit Bank Limited	VIS	Suspended	Suspended
Bank Al-Habib Limited	PACRA	A1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Askari Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

Financial liabilities	As at June 30, 2023		
	Carrying amount	Within one year	More than one year
Trade and other payables	19,461,904	19,461,904	-
Accrued mark-up	-	-	-
Due to related parties	11,228,000	11,228,000	-
Finance lease liability	6,297,231	5,139,739	1,157,492
	36,987,135	35,829,643	1,157,492

Financial liabilities	As at June 30, 2022		
	Carrying amount	Within one year	More than one year
Trade and other payables	30,871,561	30,871,561	-
Accrued mark-up	0	0	-
Due to related parties	19,720,000	19,720,000	-
Finance lease liability	10,802,023	4,962,721	5,839,302
	61,393,584	55,554,282	5,839,302

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfil its obligations as they come due.

TAGM

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount that would be received on the sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse.

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standards. An explanation of each level follows the table.

	Level I	Level II	Level III	Total
Recurring FV Measurement as at June 30, 2023				
Long-term investment - at FVOCI	9,006,813	-		9,006,813
Short-term investments- at FVTPL	53,753,908	-		53,753,908
				62,760,721
Recurring FV Measurement as at June 30, 2022				
Long-term investment - at FVOCI	-	20,466,394		20,466,394
Short-term investments- at FVTPL	63,583,394	-		63,583,394
				84,049,788

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- Level 1: Quoted market price (unadjusted) in an active market
 - Level 2: Valuation techniques based on observable inputs
 - Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.
- There were no transfers into or out of Level 1 measurements.

34 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements.

34.1 OTHER DISCLOSURE UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016

- 34.1.1 As at June 30, 2023, the value of shares pledged with financial institutions amounted Rs. 19,182,500 out of which the value of company's shares pledged with financial institutions amounted to Rs. 19,182,500 (2022: Rs. 52,094,450) and the value of customer shares maintained with the company pledged with financial institution is Rs. Nil (2022: Rs. 18,628,240).
- 34.1.2 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. 6,562,460 (2022: Rs. 39,496,345)

34.2 DISCLOSURES UNDER THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN REGULATIONS NOTIFIED THROUGH CIRCULAR NO. 13 OF 2018

Following additional disclosures not else where disclosed in the Financial Statements are being provided to comply with the requirements of Central Depository Company of Pakistan Limited Regulations (Regulation No. 6.8.3).

	2023	2022
	Rupees	
Total Assets	150,083,280	180,095,180
Less: Total Liabilities	40,082,672	61,393,584
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	110,000,608	118,701,596

While determining the value of the total assets of the Company, the notional value as at June 30, 2023 of the TREC held by the Company as determined by the stock exchange has been considered.

TAGM

34.3 LIQUID CAPITAL BALANCE

Liquid 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.

Value Stock And Commodities (Private) Limited
Computation of Audited Liquid Capital
As on June 30, 2023

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.1	Property & Equipment	34,628,792	100.00%	-
1.2	Intangible Assets	3,750,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
	Investment in Debt Securities			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
1.4	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	100.00%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cut-off date as computed by the Securities Exchange for respective securities whichever is higher. [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.]	62,760,721	33,860,650	28,900,071
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/bank deposits with the exchanges, clearing house or central depository or any other entity.	4,497,863	100.00%	-
	i. 100% of net value, 140% (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.)			
1.9	Margin deposits with exchange and clearing house.	7,688,686	-	7,688,686
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	330,757	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	-	-	-
	100% in respect of mark-up accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
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	Advances and Receivables other than trade receivables			
	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	10,509,072	7,060,000	3,449,072
	2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation			
	3. In all other cases, 100% of net value			
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.	-	-	-
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut.	-	-	-
	ii. Lower of net balance sheet value or value determined through adjustments.			
	iii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-
	iv. Net amount after deducting haircut			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	iv. Net amount after deducting haircut			
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	124,480	-	124,480
	v. In case 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.	1,320,390	-	1,320,390
	vi. Lower of net balance sheet value or value determined through adjustments			

TAGM

	vi. In the case of amount of receivables from 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. vi. Lower of net balance sheet value or value determined through adjustments.	5,887,419	2,678,954	2,708,465
	Cash and Bank balances			
1.18	I. Bank balance-proprietary accounts	7,511,977	-	7,511,977
	II. Bank balance-customer accounts	12,000,625	-	12,000,625
	III. Cash in hand	2,107	-	2,107
	Subscription money against investment in IPO/ offer for sale (asset)			
1.19	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. 140] 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.]			
1.2	Total Assets	150,512,889		63,705,877
	Trade Payables			
2.1	I. Payable to exchanges and clearing house	-	-	-
	II. Payable against leveraged market products	-	-	-
	III. Payable to customers	15,424,871	-	15,424,871
	Current Liabilities			
	I. Statutory and regulatory dues	-	-	-
	II. Accrual and other payables	4,037,033	-	4,037,033
	III. Short-term borrowings	-	-	-
2.2	IV. Current portion of subordinated loans	-	-	-
	V. Current portion of long term liabilities	5,139,739	-	5,139,739
	VI. Deferred Liabilities	-	-	-
	VII. Provision for taxation	-	-	-
	VIII. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities			
	I. Long-Term financing	-	100%	-
	II. Staff retirement benefits	-	-	-
2.3	III. Other liabilities as per accounting principles and included in the financial statements	11,228,000	-	11,228,000
	Note:			
	(a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	1,157,492	100%	-
	(b) Nil in all other cases			-
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 Liabilities	36,987,135		35,829,643
	Ranking Liabilities Relating to:			
	Concentration in Margin Financing			
3.1	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. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities			-
	Concentration in securities lending and borrowing			
	The amount by which the aggregate of:			
3.2	(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 (Note: only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
	Net underwriting Commitments			
3.3	(a) In the case of right issues: If the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues 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			

TAGM

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 currency 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 securities. In the case of finance/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			-
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 requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts II. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			-
3.10	Short sell positions I. Increase 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. Increase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			-
3.11	Total Ranking Liabilities			-
		113,525,755	Liquid Capital	27,876,231

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.2)	63,705,873
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(35,829,643)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<u>27,876,231</u>

TAGM

35 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

35.1 Following are the related parties with whom the company had entered into transactions or have arrangement or agreement in place.

Name of related party	Relationship with the company	Aggregate % of shareholding
Mr. Khurram Gulzar	Shareholder / CEO	66%
Mr. Kamran Gulzar	Shareholder	33%
Mr. Aqeel Ahmed	Shareholder	1%
Mrs. Javeria Khurram	Spouse of CEO	N/A

35.2 The detail of related party transactions is as follows:

	June 30, 2023		June 30, 2022	
	Chief Executive Officer	Associates	Chief Executive Officer	Associates
	—Rupees—		—Rupees—	
Purchase of marketable securities for and on the behalf of	325,062,368	41,028,358	364,702,416	40,685,809
Sale of marketable securities for and on the behalf	255,388,320	41,521,396	311,497,640	43,065,279
Brokerage income	2,871,332	235,321	8,359,779	345,347
Remuneration paid	2,400,000	837,742	2,700,000	820,333
Rent paid	-	-	144,000	-
Loan (provided)/received from related parties	(7,060,000)	-	-	-
Loan obtained / (repaid) from related parties	-	(8,492,000)	(11,428,080)	3,220,000

36 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial statements.

37 NUMBER OF EMPLOYEES

	2023 Number	2022 Number
No. of employees as at June 30, 2023	17	25
Average number of employees during the year	25	26

38 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to ensure compliance with disclosure requirements in the 5th Schedule to the Companies Act, 2017 and IFRSs.

39 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

40 AUTHORIZATION

These financial statements were authorized for issue on 01/06/2023 by the Board of Directors of the Company.

TAGM


Chief Executive Officer




Director