

AZEE SECURITIES (PRIVATE) LIMITED.

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2022**

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS

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Independent auditor's report

To the members of Azee Securities (Private) Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Azee Securities (Private) Limited**, which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity 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, except for the matters described in the basis of qualified opinion paras, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified 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.

- a) As disclosed in note 24.1 the company has not filled Income tax return last year which could attract default surcharge and penalty which has not been recognized in the financial statements. Further, we could not ascertain the financial impact of the same.

- b) Last year the company has recorded capital gain on sale of short term investment amounting to Rs.13.89 million & in Note 11 the company has not accounted for shares at FMV this year. Also, we were unable to verify the related impact on the statement of changes in equity.

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements of the company 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 there on.

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 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material



Misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the



Report on Other Legal and Regulatory Requirements

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

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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Member firm

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

Other Matter Paragraph

The financial statements of the company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed modified opinion in their report dated December 08, 2021.

The engagement partner on the audit resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA.**



MUSHTAQ & CO
Chartered accountants


KARACHI

Date: **31 OCT 2022**

UDIN:AR202210043fUiFsEjvn

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

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	7,195,362	7,804,673
Right-of-use asset	5	6,255,405	7,359,300
Investment Property	6	90,267,700	-
Intangible assets	7	3,515,000	3,515,000
Long term advances & deposits	8	3,259,600	4,259,600
		110,493,067	22,938,573
CURRENT ASSETS			
Trade Receivables	9	235,682,364	136,905,335
Advances, deposits, prepayments and other receivables	10	4,893,827	5,009,842
Short term investment	11	23,537,015	92,157,304
Cash and bank balances	12	332,094	14,109,169
		264,445,301	248,181,651
TOTAL ASSETS		374,938,368	271,120,224
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		150,000,000	150,000,000
15,000,000 (2021: 15,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital	13	95,000,000	95,000,000
Accumulated profit / (loss)		(76,799,895)	(32,084,367)
		18,200,105	62,915,633
Advance against issue of shares		207,416,700	-
		225,616,805	62,915,633
LIABILITIES			
NON CURRENT LIABILITIES			
Long term loan	14	11,130,750	11,130,750
Ijarah financing	15	4,008,357	4,932,926
		15,139,107	16,063,676
CURRENT LIABILITIES			
Current maturity of Ijarah financing	15	2,391,053	2,942,575
Short term borrowings - Secured	16	19,675,137	61,080,439
Trade payables	17	98,171,632	104,702,026
Taxation - net		901,900	7,894,475
Accrued expenses & other liabilities	18	13,042,733	15,521,400
		134,182,456	192,140,915
CONTINGENCIES AND COMMITMENTS	19	-	-
		374,938,368	271,120,224

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



Chief Executive

Director

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

	Note	2022 Rupees	2021 Rupees
Operating Revenue			
Capital gain on sale of securities	20	39,155,168	83,428,796
Unrealised gain/(loss) on remeasurement of investment at fair value		(21,205,626)	13,893,565
		1,182,245	10,561,419
Gross profit		<u>19,131,787</u>	<u>107,883,780</u>
Administrative expenses	21	(57,472,380)	(136,093,412)
Finance Cost	22	(5,585,304)	(17,021,177)
		(63,057,684)	(153,114,589)
Operating loss		<u>(43,925,897)</u>	<u>(45,230,809)</u>
Other income	23	112,269	21,745,172
(Loss) before taxation		<u>(43,813,628)</u>	<u>(23,485,637)</u>
Taxation	24	(901,900)	(10,964,693)
(Loss) after taxation		<u>(44,715,528)</u>	<u>(34,450,330)</u>
Loss per share - basic and diluted	25	<u>(4.71)</u>	<u>(3.63)</u>

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

Chief Executive

Director

AZEE SECURITIES (PRIVATE) LIMITED.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Note</u>	<u>2022</u> <u>Rupees</u>	<u>2021</u> <u>Rupees</u>
(Loss) after taxation		(44,715,528)	(34,450,330)
<u>Other comprehensive income for the year</u>			
Unrealised gain on remeasurement of investment- At Fair Value through other comprehensive income		-	14,854,089
Total comprehensive (loss) / income for the year		<u><u>(44,715,528)</u></u>	<u><u>(19,596,241)</u></u>

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



Chief Executive

Director

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

Particulars	Share capital	Unrealised		Sub-total	Total equity
		Unappropriated profit/ (loss)	gain/(loss) on remeasurement of investment at fair value		
			Rupees		
Balance as at July 01, 2020	95,000,000	(13,279,126)	(108,120)	(13,387,246)	81,612,754
Loss for the year	-	(34,450,330)	-	(34,450,330)	(34,450,330)
Other comprehensive income:					
Realised gain on sale of securities	-	-	899,120	899,120	899,120
Reclassification due to sale of investment held at fair value - through other comprehensive income	-	690,980	(690,980)	-	-
Gain/(loss) on remeasurement of investment at fair value - through other comprehensive income	-	-	14,854,089	14,854,089	14,854,089
Balance as at June 30, 2021	95,000,000	(47,038,476)	14,954,109	(32,084,367)	62,915,633
Balance as at July 01, 2021	95,000,000	(47,038,476)	14,954,109	(32,084,367)	62,915,633
Loss for the year	-	(44,715,528)	-	(44,715,528)	(44,715,528)
Other comprehensive income:					
Gain/(loss) on remeasurement of investment at fair value - through other comprehensive income	-	-	-	-	-
Balance as at June 30, 2022	95,000,000	(91,754,004)	14,954,109	(76,799,895)	18,200,105

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

Chief Executive

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

Azee Securities (Private) Limited is a private limited company incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on November 10, 2003. The registered office of the Company is situated at Room No. 208, 2nd Floor, business stock exchange road, Karachi, Pakistan. The Principal activity of the Company is to carry on the business of stock, brokerage, underwriting and investment etc. The Company is a corporate member of Pakistan Stock Exchange Limited.

- Pakistan Stock Exchange Ltd Room # 3, Ground Floor, Karachi Stock Exchange, Stock Exchange Road, Karachi.
- Room 404, 4th Floor, Trade Center, Block 13/A Karachi.
- Room # 1, Mezzanine Floor, Hamilton Court, Teen Talwar Clifton, Karachi.
- D-14, Block H, North Nazimabad, Karachi.
- Office # 226, 2nd Floor, Siddique Trade Center, Main Boulevard, Lahore.
- S-29, Cantt, First Floor, Malir Cantt, Karachi.
- Hall # 2, 1st Floor, Bilal Plaza, Haider Road, Saddar, Rawalpindi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except otherwise stated. Further, accrual basis of accounting is followed.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the Company's functional currency.

2.4 Critical Accounting Estimates and Judgments

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

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

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

Effective date (annual reporting periods beginning on or after

IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments : Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts

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

IFRS 12	Service concession arrangements
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As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/ 2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

3.1 Property, plant and equipment

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Depreciation is charged to statement of profit or loss using the reducing method at the rates specified in the relevant note. Monthly depreciation is charged on additions during the month while no depreciation is charged on assets in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred while major improvements, if any, are capitalized. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

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

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to fixed assets as and when assets are available for use.

3.2 Intangible assets

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

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 Financial assets

3.3.1 Classification:

Initial measurement

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

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

Subsequent Measurement

Financial assets at FVTPL

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

Financial assets measured at FVTOCI

These assets are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

3.3.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.3.3 Impairment

The Company recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts. The Company assesses on a forward looking basis the expected credit losses associated with its financial assets.

Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of company.

3.3.4 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.4 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.

3.5 Trade Debts

These are classified at amortized cost and are initially recognised 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 (ECL).

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.6 Share Capital

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

3.7 Proposed Dividend and Transfer Between Reserves

Dividends declared and transferred between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends and transfers are approved.

3.8 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.9 Taxation

3.9.1 Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax, whichever is higher.

3.9.2 Deferred

Deferred tax accounted for using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for the financial reporting purpose.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the periods when differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

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

3.10 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

3.11 Foreign currency translation

Foreign currency transaction is translated at the rate of exchange ruling on the date of those transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Exchange gains and losses are taken to the profit and loss account.

3.12 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 Rupees, which is the Company's functional and presentation currency.

3.13 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

3.14 Related party transactions

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

3.15 Revenue Recognition

- a) Revenue from sale of goods is recognized when control of goods is transferred to customers.
- b) Return on bank balances is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- c) Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is established.

3.16 Earnings per Share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.17 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.



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

4. PROPERTY AND EQUIPMENT

Operating fixed assets-2022

	2022	2021
	Rupees	Rupees
	7,195,362	7,804,674

	Offices	Furniture & Fixtures	Office Equipments	Computers	Total
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At July 01, 2021
 Cost
 Accumulated depreciation
 Net book value

	7,167,000	763,695	8,305,945	18,855,063	35,091,703
	(3,832,637)	(512,605)	(5,130,085)	(17,811,702)	(27,287,029)
	3,334,363	251,090	3,175,860	1,043,361	7,804,674

Year ended June 30, 2022
 Opening Net Book Value
 Additions during the year
 Disposal
 -Cost
 -Accumulated depreciation
 Depreciation charge for the year
 Closing net book value June 2022
 Annual depreciation rate %

	3,334,363	251,090	3,175,860	1,043,361	7,804,674
	-	-	119,000	1,011,625	1,130,625
	-	-	-	-	-
	(333,436.30)	(37,663.50)	(801,269.78)	(567,567.68)	(1,739,937)
	3,000,927	213,427	2,493,590	1,487,418	7,195,362

10%
 15%
 15%
 30%

2021

Rupees

Offices	Furniture & Fixtures	Office Equipments	Computers	Total
Cost	4,667,000	763,695	8,026,395	18,855,063
Accumulated depreciation	(3,462,152)	(468,295)	(4,569,640)	(17,364,547)
Net book value	1,204,848	295,400	3,456,755	1,490,516
				32,312,153
				(25,864,634)
				6,447,519

Year ended June 30, 2021

Opening Net Book Value

Additions during the year

Disposal

-Cost

-Accumulated depreciation

Depreciation charge for the year

Closing net book value June 2021

Annual depreciation rate %

1,204,848	295,400	3,456,755	1,490,516	6,447,519
2,500,000	-	279,550	-	2,779,550
-	-	-	-	-
(370,485)	(44,310)	(560,445)	(447,155)	(1,422,395)
3,334,363	251,090	3,175,860	1,043,361	7,804,674

10%

15%

15%

30%



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

	Note	2022 Rupees	2021 Rupees
5 RIGHT-OF-USE ASSET			
Opening net book value		7,359,300	-
Addition		-	8,658,000
Depreciation		(1,103,895)	(1,298,700)
Closing net book value		<u>6,255,405</u>	<u>7,359,300</u>
6 INVESTMENT PROPERTY			
Investment Property		<u>90,267,700</u>	<u>-</u>
		<u>90,267,700</u>	<u>-</u>
7 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	7.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		1,015,000	1,015,000
		<u>3,515,000</u>	<u>3,515,000</u>
7.1	This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment loss.		
8 LONG TERM ADVANCES & DEPOSITS			
Pakistan Stock Exchange Limited		100,000	100,000
Pakistan Mercantile Exchange Limited		888,000	888,000
National Clearing Company of Pakistan Limited		300,000	1,300,000
Advance against office		240,000	240,000
Security deposit		1,731,600	1,731,600
		<u>3,259,600</u>	<u>4,259,600</u>
9 TRADE RECEIVABLES			
Considered good		234,665,783	225,617,852
Considered doubtful		99,780,233	-
Less; Expected credit loss	9.1	(99,780,233)	(89,401,034)
		234,665,783	136,216,818
		1,016,581	688,787
From clearing house		<u>235,682,364</u>	<u>136,905,605</u>
9.1 Movement of expected credit loss			
Opening Balance		89,401,034	18,159,776
Expected Credit Loss		10,379,199	71,241,258
Closing balance	9.1.1	<u>99,780,233</u>	<u>89,401,034</u>
9.1.1	The ageing analysis of trade debts past due but not impaired as follows;		
Up to 90 days		141,624,957	136,164,371
90 to 180 days		87,966,508	84,574,813
180 to 360 days		542,693	521,769
More than 360 days		4,531,624	4,356,900
		<u>234,665,783</u>	<u>225,617,853</u>
9.2	Total value of securities pertaining to clients held in the Central Depository Company		
		-	1,732,978,984
9.3	Value of Pledge Securities of clients with National Clearing Company of Pakistan Limited		
		-	57,924,917
9.4	Value of Pledge Securities of clients with Financial Institutions		
		-	49,501,464
9.5	The securities are valued using market rate at the year end		
10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance to staff		1,372,838	1,250,507
Exposure deposit	10.1	348,894	947,610
Advance payment of tax		360,370	-
Other receivables		2,811,725	2,811,725
		<u>4,893,827</u>	<u>5,009,842</u>

Note	2022 Rupees	2021 Rupees
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10.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market

11 SHORT TERM INVESTMENT

Investment at fair value through profit & loss

Listed equity securities

Unrealized gain/(loss) on remeasurement of investment at fair value

Market Value

	40,442	59,281,557
	1,182,245	10,561,419
11.1	1,222,687	69,842,976

Investment at fair value through other comprehensive income

Shares of Pakistan Stock Exchange Limited

Unrealized gain/(loss) on remeasurement of investment

	22,314,328	7,460,239
	-	14,854,089
11.2	22,314,328	22,314,328

11.1 Investment at fair value through profit & loss

2022 Number of Shares	2021 Number of Shares	Symbol	Name of Investee	2022 Market Value in Rupees	2021 Market Value in Rupees
500	500	AATM	ALI ASGHAR TEXTILE MILLS	-	-
1	15	ABL	ALLIED BANK LIMITED	69	1,112
1	5	ABOT	ABBOTT LABORATORIES PAKISTAN LIMITED	655	3,962
1	12	ACPL	ATTOCK CEMENT PAKISTAN LIMITED	79	2,158
-	2,000	AGL	AGRITTECH LIMITED	-	13,640
1	36	AHCL	ARIF HABIB CORPORATION LIMITED	34	1,441
32	318	AHL	ARIF HABIB LIMITED	1,174	25,796
100	119	AICL	ADAMJEE INSURANCE CO. LIMITED	3,026	4,935
175	-	AIRLINK	AIR LINK COMMUNICATION LIMITED	6,085	-
100	21,100	AKBL	ASKARI BANK LIMITED	1,901	479,603
500	500	AKDIFTO	AKD INDEX TRACKER FUND	-	-
578	578	AKZO	AKZO NOBEL PAKISTAN LIMITED	-	-
-	2,500	ALAC	ASKARI LIFE INSURANCE CO. LIMITED	-	16,000
300,500	300,500	AMTEX	AMTEX LIMITED	-	-
1	100	ANL	AZGARD NINE LIMITED	9	3,389
50	7,450	APL	ATTOCK PETROLEUM LIMITED	14,028	2,391,674
1	5	ARPL	ARCHROMA PAKISTAN LIMITED	516	2,863
1	499	ASC	AL SHAHEER CORPORATION LIMITED	13	9,945
501	50,500	ASL	AISHA STEEL MILLS LIMITED	4,429	1,257,955
1	1,195	ASLPS	AISHA STEEL (PREFERENCE)	-	41,945
-	35,500	ASTL	AMRELI STEEL LIMITED	-	1,542,120
1	7	ATBA	ATLAS BATTERY LIMITED	153	2,212
1	121	ATIL	ATLAS INSURANCE LIMITED	1	6,958
-	375	ATRL	ATTOCK REFINERY LIMITED	-	96,169
100	110	BAFL	BANK ALFALAH LIMITED	31	3,540
100	500	BAHL	BANK AL HABIB LIMITED	5,338	35,060
489,000	489,000	BEEM	BEEMA PAKISTAN COMPANY LIMITED	489,000	-
-	25,000	BGL	BALUCHISTAN GLASS LIMITED	-	397,000
-	50	BIFO	BIAFO INDUSTRIES LIMITED	-	6,910
22,500	22,500	BIIC	BUSINESS AND INDUSTRIES INSURANCE CO. LTD	22,500	-
-	500	BIPL	BIPL SECURITIES LIMITED	-	5,620
-	500	BNWM	BANNU WOOLEN MILLS LIMITED	-	25,040
8	258	BOK	BANK OF KHYBER	104	4,180
562	14,127	BOP	BANK OF PUNJAB	2,883	118,667
1	19	BWCL	BEST WAY CEMENT LIMITED	138	3,069
-	200	BYCO	BYCO PETROLEUM PAKISTAN LIMITED	-	2,322
55	55	CASH	CALCORP LIMITED	-	1,112
1	5	CENI	CENTURY INSURANCE CO. LIMITED	17	95
2	10	CEPB	CENTURY PAPER & BOARD MILLS LIMITED	119	1,221
150	200	CFL	CRESCENT FIBRES LIMITED	-	12,400

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

				Note	2022 Rupees	2021 Rupees
100	511	CHCC	CHERAT CEMENT CO. LIMITED		12,019	90,641
-	5,058	CPPL	CHERAT PACKAGING LIMITED		-	1,006,087
-	5,000	CRTM	CRESCENT TEXTILE MILLS LIMITED nc		-	-
-	25,000	CSAP	CRESCENT STEEL AND ALLIED PRODUCTS		-	2,099,500
250	250	DBCI	DADABHOY CEMENT		-	-
1	100	DCR	DOLMEN CITY REIT		14	1,102
1	654	DFML	DEWAN FAROOQUE MOTORS LIMITED		9	6,867
-	26,000	DGKC	D.G. KHAN CEMENT CO. LIMITED		-	3,065,920
1	338	DINT	DIN TEXTILE MILLS LIMITED		-	-
-	12,760	DOL	DESCON OXYCHEM LIMITED		-	342,478
116,800	116,800	DSFL	DEWAN SALMAN FIBRE LIMITED		-	-
-	50,781	DSL	DOST STEELS LIMITED		-	252,889
500	72,500	EFERT	ENGRO FERTILIZERS LIMITED		40,640	5,094,575
50	500	ENGRO	ENGRO CORPORATION LIMITED		11,731	147,305
500	-	EPCL	ENGRO POLYMER AND CHEMICALS LIMITED		500	-
1	100	EPQL	ENGRO POWER GEN QADIRPUR LIMITED		23	2,140
1	141	FABL	FAYSAL BANK LIMITED		30	2,393
250	250	FATIMA	FATIMA FERTILIZER CO. LIMITED		8,795	7,188
120	107,620	FCCL	FAUJI CEMENT COMPANY LIMITED		1,711	2,475,260
1	181	FCEPL	FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED		69	20,829
1	18,200	FECTC	PECTO CEMENT LIMITED		27	604,240
100	1,921	FEROZ	FEROZSONS LABORATORIES LIMITED		19,014	677,767
100	3,542	FFBL	FAUJI FERTILIZER BIN QASIM LIMITED		1,853	93,544
100	7,500	FFC	FAUJI FERTILIZER CO. LIMITED		10,327	795,750
500	1,000	FFL	FAUJI FOODS LIMITED		2,775	18,060
-	500	PHAM	FIRST HABIB MODARBA		-	4,900
1	2,600	FLYNG	FLYING CEMENT COMPANY LIMITED		7	55,328
500	1,000	FRSM	FARHAN SUGAR MILLS LIMITED		26,500	32,500
1	100	GADT	GADOON TEXTILE MILLS LIMITED		235	25,846
964	964	GASF	GOLDEN ARROW SELECTED STOCKS FUND LTD.		-	-
200	30,200	GATM	GUL AHMED TEXTILE MILLS LIMITED		5,512	1,532,046
9,000	9,000	GENP	GENERTECH PAKISTAN LIMITED		-	-
-	1,200	GGGL	GHANI GLOBAL GLASS LIMITED		-	32,472
-	11,600	GHNI	GHANDHARA INDUSTRIES LIMITED		-	3,236,632
-	500	GHNH	GHANDHARA NISSAN LIMITED		-	54,615
100	4,400	GLAXO	GLAXO SMITHKLINE PAKISTAN LIMITED		11,165	728,948
1	45	GSKCH	GLAXOSMITH KLINE CONSUMER		200	11,254
200	204	GTJR	GANDHARA TYRES & RUBBER CO.		6,186	17,917
-	500	GWLC	GHRIBWAL CEMENT LIMITED		-	19,485
100	797,790	HASCOL	HASCOL PETROLEUM LIMITED		616	7,124,265
100	1,726	HBL	HABIB BANK LIMITED		6,955	211,211
100	11,505	HCAR	HONDA ATLAS CARS (PAKISTAN) LIMITED		16,239	3,978,199
-	500	HIFA	HBL INVESTMENT FUND-A		-	1,550
500	500	HIFB	HBL INVESTMENT FUND-B		-	-
1	40	HINO	HINOPAK MOTORS LIMITED		-	24,486
1	2	HINOON	HIGHNOON LABORATORIES LIMITED		544	1,200
-	500	HIRAT	HIRA TEXTILE MILLS LIMITED		-	2,040
200	500	HTL	HI-TECH LUBRICANTS LIMITED		6,584	35,455
100	120	HUBC	HUB POWER COMPANY LIMITED		6,475	9,560
1	109	IBLHL	IBL HEALTH CARE LIMITED		39	12,113
1	5	ICI	I.C.I PAKISTAN LIMITED		675	4,344
1	674	ICIBL	INVEST CAPITAL INVESTMENT BANK		1	1,907
1	110	ICL	ITTEHAD CHEMICALS LIMITED		29	4,186
100	2,505	IGIHL	IGI HOLDING LIMITED		9,377	484,868
100	2,100	INIL	INTERNATIONAL INDUSTRIES LIMITED		9,379	443,142
188	15,000	ISL	INTERNATIONAL STEELS LIMITED		9,684	1,401,150
1	6	JLICL	JUBILEE LIFE INSURANCE CO.		141	2,009
20,000	20,000	JOVC	J.O.V. & CO.		-	-

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

				Note	2022 Rupees	2021 Rupees
500	500	JPGL	JAPAN POWER GENERATION LIMITED		-	-
1	551	JSBL	JS BANK LIMITED		4	3,146
400	420	JSCL	JAHANGIR SIDDIQUI & CO. LIMITED		5,000	9,475
-	30,084	JSCLRI	JAHANGIR SIDDIQUI & NC		-	-
1	300	JSIL	JS INVESTMENT LIMITED		-	5,613
1	100	JVDC	JAVEDAN CORPORATION LIMITED		54	4,220
100	100	KAPCO	KOT ADDU POWER COMPANY		2,601	4,435
2,500	2,500	KEL	K-ELECTRIC LIMITED		6,825	10,450
1	5	KOHE	KOHINOOR ENERGY LIMITED		34	180
1	20	KSBP	K.S.B. PUMPS COMPANY LIMITED		1,105	4,437
1	41	KTML	KOHINOOR TEXTILE MILLS LIMITED		51	3,083
500	3,000	LMSM	LANDMARK SPINNING INDUSTRIES		-	75,000
1	711	LOADS	LOADS LIMITED		8	15,365
500	11,000	LOTCEM	LOTTE CHEMICAL PAKISTAN LIMITED		14,080	169,840
500	500	LPL	LALPIR POWER LIMITED		6,675	8,930
50	200	LUCK	LUCKY CEMENT LIMITED		24,033	172,688
1	50	MACTER	MACTER INTERNATIONAL LIMITED		96	8,067
1	18	MCB	MCB BANK LIMITED		121	2,877
4,984	4,984	MCBPSM	MCB BANK LIMITED-PSM		-	-
1	37	MEBL	MEEZAN BANK LIMITED		107	4,270
1,000	1,000	MFTM	MOHAMMAD FAROOQ TEXTILE MILLS LIMITED		-	-
500	2,575	MLCF	MAPLE LEAF CEMENT FACTORY LIMITED		13,140	120,974
1	-	MTL	MILLAT TRACTORS LIMITED		665	-
1,000	1,000	MUKT	MUKHTAR TEXTILE MILLS		-	-
2,000	2,000	MWMP	MANDVIWALA MAUSER PLASTIC INDUSTRIES LTD		-	-
13	50	NATF	NATIONAL FOODS LIMITED		1,554	11,451
300	337	NBP	NATIONAL BANK OF PAKISTAN		7,623	12,324
100	142	NCL	NISHAT CHUNIAN LIMITED		2,892	7,141
10	10	NETSOL	NETSOL TECHNOLOGIES LIMITED		1,010	1,700
1	10	NICL	NIMIR INDUSTRIAL CHEMICALS LIMITED		-	1,367
1	65	NML	NISHAT MILLS LIMITED		62	6,065
2,000	2,000	NORT	NORRIE TEXTILE MILLS LIMITED		-	-
1	100	NPL	NISHAT POWER LIMITED		20	1,965
1	10	NRL	NATIONAL REFINERY LIMITED		206	5,232
1	209	NRSL	NIMIR RESINS LIMITED		13	4,211
100	4,100	OGDC	OIL & GAS DEVELOPMENT COMPANY LIMITED		7,044	389,623
500	550	OLPL	ORIX LEASING PAKISTAN LIMITED		9,990	14,163
500	1,500	PACE	PACE (PAKISTAN) LIMITED		1,450	10,830
1	1,510	PAEL	PAK ELEKTRON LIMITED		15	52,941
9	300	PAKRI	PAKISTAN REINSURANCE COMPANY PRIVATE LIMITED		697	7,299
1	1,842	PASL	PERVEZ AHMED CONSULTANCY SERVICES LIMITED		1	3,002
145	145	PASM	PARAMOUNT SPINING MILLS LIMITED		-	-
1	2,668	PIAA	PAKISTAN INTERNATIONAL AIRLINES CORPORATION LTD		4	15,341
-	170,072	PIBTL	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED		-	1,935,419
-	12,510	PIOC	PIONEER CEMENT LIMITED		-	1,639,686
500	500	PKGP	PAKGEN POWER LIMITED		10,980	12,330
100	410	PKGS	PACKAGES LIMITED		39,500	223,532
1	100	PNSC	PAKISTAN NATIONAL SHIPPING CORPORATION LTD		94	7,270
1	6	POL	PAKISTAN OILFIELDS LIMITED		383	2,363
1	1	POWER	POWER CEMENT LIMITED		5	10
100	71,714	PPL	PAKISTAN PETROLEUM LIMITED		5,105	6,226,927
60	-	PREMA	AT-TAHUR LIMITED		-	-
500	500	PRL	PAKISTAN REFINERY LIMITED		8,130	12,305
38	5,338	PSO	PAKISTAN STATE OIL CO. LIMITED		5,378	1,197,047
453	1,759	PSX	PAKISTAN STOCK EXCHANGE LIMITED		4,322	39,243

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

				Note	2022 Rupees	2021 Rupees
1	475	PTC	PAKISTAN TELECOMMUNICATION CO. LIMITED		7	5,624
-	500	QUICE	QUICE FOOD INDUSTRIES LIMITED		-	3,040
1	810	RCML	RELIANCE COTTON SPINNING MILLS LIMITED		515	156,897
-	500	REWM	RELIANCE WEAVING MILLS LIMITED		-	36,205
-	428	RPL	ROSHAN PACKAGES LIMITED		-	14,098
1	1,691	SBL	SAMBA BANK LIMITED		7	11,296
1	40	SCBPL	STANDARD CHARTERED BANK PAKISTAN LTD.		20	1,355
695	1,984	SEARL	THE SEARLE CPOMpany LIMITED		51,937	481,358
1,266	1,266	SEPCO	SOUTHERN ELECTRIC POWER COMPANY LTD		-	-
100	-	SGF	SERVICE GLOBAL FOOTWEAR LIMITED		3,481	-
200	34,000	SHEL	SHELL PAKISTAN LIMITED		25,974	5,956,800
494	2,420,994	SILK	SILK BANK LIMITED		514	4,866,198
1	101	SITC	SITARA CHEMICAL INDUSTRIES LIMITED		-	35,552
257	600,757	SMBL	SUMMIT BANK LIMITED		386	1,399,764
1	23	SNBL	SONERI BANK LIMITED		10	225
100	20,010	SNGP	SUI NORTHERN GAS PIPELINE LIMITED		3,454	972,086
1	197	SPL	SITARA PEROXIDE LIMITED		16	5,573
500	500	SPWL	SAIF POWER LIMITED		9,430	8,670
-	10,000	SSGC	SUI SOUTHERN GAS COMPANY LIMITED		-	133,000
-	20,000	STPL	SIDDIQSONS TIN PLATE LIMITED		-	382,800
525	-	TELE	TELECARD LIMITED		5,030	-
1	5	THALL	THAL LIMITED		264	2,114
500	500	THCCL	THATTA CEMENT COMPANY LIMITED		6,600	10,365
-	500	TPL	TPL CORP LIMITED		-	9,775
1	162	TREET	TREET CORPORATION LIMITED		22	8,017
76	276	UBL	UNITED BANK LIMITED		8,488	33,727
71	571	UNITY	UNITY FOODS LIMITED		1,399	25,421
1,000	1,000	WTCL	WATEEN TELECOM LIMITED		-	-
228	228	WTL	WORLDCELL TELECOM LIMITED		301	903
28,415	28,415	ZELP	ZEAL PAK CEMENT LIMITED		-	-
					1,222,687	69,842,976
1,022,285	5,836,268					

11.2 Investment at fair value through other comprehensive income

2022	2021		Name of Investee	2022	2021
Number of Shares		Symbol		Market Value in Rupees	
1,000,194	1,000,194	PSX	PAKISTAN STOCK EXCHANGE LIMITED	22,314,328	22,314,328
1,000,194	1,000,194			22,314,328	22,314,328
				23,537,015	92,157,304
2,022,479	6,836,462				

11.3 Shares having market value of Rs. 104,172(2021: 88,245,055) are pledged as security with commercial banks and PSX against borrowings and base minimum capital.

12 CASH AND BANK BALANCES

Cash in hand
Cash in bank

- in current account
- in savings account

	164,596	158,968
	145,789	1,907,858
	21,710	12,042,343
	167,498	13,950,201
	332,094	14,109,169

12.1 The return on these balances is 7% to 15% (2021: 7% to 11%) per annum on daily product basis

12.2 Bank Balances pertains to:

Clients
Brokerage House

	93,917	13,835,671
	73,581	114,530
	167,498	13,950,201

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	Note	2022 Rupees	2021 Rupees
13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
Number of Shares			
2022			
2021			
Number of shares			
9,500,000		95,000,000	95,000,000
9,500,000		95,000,000	95,000,000
Ordinary shares of Rs. 10 each fully paid in cash			
13.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.			
14 LONG TERM LOAN			
From Director- unsecured	14.1	11,130,750	11,130,750
		11,130,750	11,130,750
14.1 These represents subordinated interest free loan obtained from Mr. Amir Zia, director of the company, the terms of the loan are not fixed and payable at the discretion of the company.			
15 LEASE LIABILITY			
Lease liability under IFRS 16		6,399,410	7,875,501
Non-current portion		4,008,357	4,932,926
Current portion		2,391,053	2,942,575
16 SHORT TERM BORROWINGS - SECURED			
Running finance	16.1	19,675,137	61,080,439
		19,675,137	61,080,439
16.1 The company has obtained running finance facilities amounting to Rs. 63 million (2021: Rs.60 million) from various commercial banks. The finance is secured against pledge of shares of listed companies quoted at Pakistan Stock Exchange Limited and personal guarantees of directors of the company. The mark-up charged on these facilities is 3 months KIBOR + 3% to 4% per annum to be refixed on first working day of every calendar year.			
17 TRADE PAYABLES			
Payable to clients against trading		98,171,632	104,702,026
		98,171,632	104,702,026
18 ACCRUED EXPENSES & OTHER LIABILITIES			
Markup payable on running finance facilities		733,259	1,246,782
Accrued expenses		611,776	2,665,554
SST payable		11,214,026	10,836,804
Other Liabilities		483,672	772,260
		13,042,733	15,521,400
19 CONTINGENCIES AND COMMITMENTS			
Contingencies			
Guarantee issued by bank on behalf of the company		40,000,000	40,000,000
19.1 The company has defaulted on payment of Sindh Sales Tax liability during the year and show cause notice have been received from Sindh Revenue Board. Late payment of sales tax liability could attract the default surcharge and penalty which has not been recognized in the financial statements.			
19.2 SECP has imposed penalty of Rs.500,000 on violation of certain regulations including charging markup on client balances. No provision for this liability have been provided. The company has filed an appeal before SECP Appellate Bench which is pending.			
Commitments			
There were no commitments outstanding at the year end. (2021:Nil)			

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

	Note	2022 Rupees	2021 Rupees
20 OPERATING REVENUE			
Operating Revenue			
Brokerage Commission		41,806,149	86,293,081
less: Sales tax on services		(4,985,277)	(4,160,489)
		<u>36,820,872</u>	<u>82,132,592</u>
Dividend Income		2,334,296	1,296,204
		<u>39,155,168</u>	<u>83,428,796</u>
20.1 Brokerage Income - net of Sales Tax			
Equity Brokerage		36,820,872	82,132,592
- Retail clients		<u>36,820,872</u>	<u>82,132,592</u>
21 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		20,660,965	25,572,265
Directors' remuneration		-	3,789,996
Service and translation charges		11,346,506	10,891,190
Printing & Stationery		43,701	478,229
Fee & subscriptions		402,352	793,540
Legal and professional charges		-	1,600
Postage and courier		78,794	342,663
Insurance		559,686	1,300,305
Rent, rates and taxes		1,130,538	2,514,264
Telephone and communication charges		-	2,885,503
Internet, software and I.T expenses		2,961,797	5,468,983
Advertisement & business promotion		-	294,132
Auditor's remuneration	21.1	550,000	500,000
Traveling & conveyance expenses		171,966	322,500
Entertainment		1,234,198	1,876,230
Allowance for expected credit loss	9.1	10,379,199	71,241,528
Utilities		3,108,976	2,844,712
Repair & maintenance		510,684	631,086
Depreciation	4	2,843,832	2,721,095
Other Expenses		1,489,187	1,623,591
		<u>57,472,380</u>	<u>136,093,412</u>
21.1 Auditor's remuneration			
Audit services			
Annual Audit fee		400,000	400,000
Certificates		100,000	100,000
Out of pocket expenses		50,000	-
		<u>550,000</u>	<u>500,000</u>
22 FINANCE COST			
Bank Charges		1,061,318	1,068,048
Markup on short term borrowings		4,359,986	14,726,862
Markup on Ijarah financing		164,000	1,226,267
		<u>5,585,304</u>	<u>17,021,177</u>
23 OTHER INCOME			
From financial assets			
Profit on exposure deposit		31,553	348,719
Profit on deposit in savings account		37,259	183,693
IPO commission		-	250,729
Profit on margin trading services		43,458	751
		<u>112,269</u>	<u>783,892</u>
From non-financial assets			
Recoveries		-	20,961,281
		-	20,961,281
		<u>112,269</u>	<u>21,745,173</u>

	Note	2022 Rupees	2021 Rupees
24 TAXATION			
Current		901,900	9,928,513
Prior year adjustment		-	1,036,180
		<u>901,900</u>	<u>10,964,693</u>
24.1	The company has not filled Income tax return last year which could attract default surcharge and penalty which has not been recognized in the financial statements.		
24.2	The income tax returns of the Company have been filled upto tax year 2021 under the Universal Self Assessment Scheme. This scheme provides that the return filled is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may ammend assessment if my objective is raised during audit.		
25 EARNINGS PER SHARE			
Basic earnings per share		(44,715,528)	(34,450,330)
Loss for the year		<u>9,500,000</u>	<u>95,000,000</u>
Weighted average number of ordinary shares outstanding during the year		(4.71)	(0.36)
Loss per share - basic			
Diluted earnings per share			
There were no convertible diluted potential ordinary shares in issue as at June 30, 2022 and June 30, 2021.			
26 REMUNERATION OF CHIEF EXECUTIVES AND DIRECTORS			
No remuneration was paid to Chief executive Officer and Director of the Company through out the year (2021: 3,789,996)			
27 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the realted items in the balance sheet as follows:			
	12	(19,675,137)	(61,080,439)
Short term running finance		<u>332,094</u>	<u>14,109,169</u>
Cash and bank balances		<u>(19,343,043)</u>	<u>(46,971,270)</u>

28 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

Long term advances & deposits
Trade Receivables
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

2022			
At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	Total
-	-	3,259,600	3,259,600
-	-	235,682,364	235,682,364
-	-	4,893,827	4,893,827
1,222,687	22,314,328	-	23,537,015
-	-	332,094	332,094
1,222,687	22,314,328	244,167,886	267,704,901

Long term advances & deposits
Trade Receivables
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

2021			
At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	Total
-	-	4,259,600	4,259,600
-	-	136,905,335	136,905,335
-	-	5,009,842	5,009,842
69,842,976	22,314,328	-	92,157,304
-	-	14,109,169	14,109,169
69,842,976	22,314,328	160,283,946	252,441,250

Financial liabilities

Long term loan
Short term borrowings - Secured
Trade payables
Accrued expenses & other liabilities

2022		
Amortized cost	At fair value through profit or loss	Total
11,130,750	-	11,130,750
19,675,137	-	19,675,137
98,171,632	-	98,171,632
13,042,733	-	13,042,733
142,020,253	-	142,020,253

Long term loan
Short term borrowings - Secured
Trade payables
Accrued expenses & other liabilities

2021		
Amortized cost	At fair value through profit or loss	Total
11,130,750	-	11,130,750
61,080,439	-	61,080,439
104,702,026	-	104,702,026
4,684,596	-	4,684,596
181,597,811	-	181,597,811

28.1 Fair values of financial assets and liabilities

- (a) Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.
The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

- (b) Fair Value Estimation
The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer prices quotation.

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 29.1 Credit risk
29.2 Liquidity risk
29.3 Market risk
29.4 Operational risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

29.1 Credit risk

29.1.1 Exposure to credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. Credit risk of the Company arises from deposits with banks, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings.
Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	Note	2022 Rupees	2021 Rupees
Financial Assets			
Long term advances & deposits	8	3,259,600	4,259,600
Trade Receivables	9	235,682,364	136,905,335
Advances, deposits, prepayments and other receivables	10	4,893,827	5,009,842
Short term investment	11	23,537,015	92,157,304
Cash and bank balances	12	332,094	14,109,169
		<u>267,704,901</u>	<u>252,441,251</u>

23.1.2 Trade Receivables

The aging of Trade receivables and related movement in Expected Credit loss has been disclosed in note 7 of these financial statements.

29.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2022					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Rupees					

Non - derivative Financial liabilities

				11,130,750	-
Long term loan	11,130,750	11,130,750			
Short term borrowings - Secured	19,675,137	19,675,137	19,675,137		
Trade payables	98,171,632	98,171,632	98,171,632		
Accrued expenses & other liabilities	13,042,733	13,042,733	13,042,733		
	<u>142,020,253</u>	<u>142,020,253</u>	<u>130,889,503</u>	<u>11,130,750</u>	<u>-</u>

2021					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Rupees					

Non - derivative Financial liabilities

				11,370,750	-
Long term loan	11,370,750	11,370,750			
Short term borrowings - Secured	61,080,439	61,080,439	61,080,439		
Trade payables	104,702,026	104,702,026	104,702,026		
Accrued expenses & other liabilities	4,684,596	4,684,596	4,684,596		
	<u>181,597,811</u>	<u>181,837,811</u>	<u>170,467,061</u>	<u>11,370,750</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

29.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk, the Company is exposed to currency and price risk.

(a) Currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales and purchase which are entered in a currency other than Pak Rupees.

(b) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Company does not hold any financial instrument that expose it to price risk.

29.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operations and qualitative track record of the plant and equipment supplier and related service providers.

30 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

Note	2022 Rupees	2021 Rupees
Borrowings	19,675,137	61,080,439
Total equity	225,616,805	62,915,633
Total capital employed	245,291,943	123,996,072
Gearing ratio	8.02%	49.26%

31 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. The company continues to have a policy whereby all transactions with related parties are not on arm's length basis.

32 Pattern of Shareholding

Name of Shareholders	2022	2021	2022	2021
	Number of Shares		Percentage of Holdings	
Amir Zia	8,835,000	8,835,000	93.00%	93.00%
Tahmina Amir	664,999	664,999	7.00%	7.00%
Aneela Ashraf	1	1	0.00%	0.00%
	9,500,000	9,500,000	100%	100%

33 Capital Adequacy level

Note	2022 Rupees	2021 Rupees
Total Assets	374,938,368	271,120,224
Less: Total Liabilities	(149,321,563)	(208,204,591)
Capital Adequacy Level	225,616,805	62,915,633

33.1 While determining the value of total assets of the TREC Holder, National value of the TRE certificate held by the company as at June 30, 2022, as determined by Pakistan Stock Exchange has been considered.

34 Net Capital Balance

Net Capital Balance of the Company, as at June 30, 2022, in accordance with the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by the Securities and Exchange Commission of Pakistan is Rs. 60,616,133/-.

Description	30-Jun-22
CURRENT ASSETS	
Cash in hand or in bank	164,596
Bank balances	73,581
Bank balances pertaining to brokerage house	93,917
Bank balances pertaining to clients	
	348,894
Other Cash deposit	
Trade Receivables	234,665,783
Book value	(206,299,289)
Less: Overdue for more than 14 days	
	145,744,644
Securities purchased for client	
Investment in listed securities in the name of broker	23,537,015
Securities on the exposure list	3,530,552
Less: 15% adjustment (as required)	
A	194,798,589
CURRENT LIABILITIES	
Trade Payables	98,171,632
Book value	(75,185,867)
Less: Overdue for more than 30 days	
	22,985,765
Other liabilities	
Accrued expenses and other liabilities	111,196,691
Total Current Liabilities	134,182,456
NET CAPITAL BALANCE	(A-B) 60,616,133

35 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2022, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is Rs.57994275.

S.No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	103,718,467	100.00%	-
1.2	Intangible Assets	3,515,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 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 than:			
	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.	-	15.00%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	23,537,015	3,898,405	19,638,610
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	3,259,600	100.00%	-
1.9	Margin deposits with exchange and clearing house.	348,894	-	348,894
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,811,725	100.00%	-
	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
1.12	100% in respect of markup 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.)	1,372,838	-	1,372,838
1.15	Short term loan to employee	360,370	100.00%	-
	Receivables other than trade receivables	-	-	-
	Receivables from clearing house or securities exchange(s)			
1.2	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	1,016,581	100.00%	1,016,581
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	-	-	-
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-
	ii. Net amount after deducting haircut			
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
1.17	iii. Net amount after deducting haircut			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	76,677,794	-	76,677,794
	iv. Balance sheet value			
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	157,987,989	56,905,503	101,082,486
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable from related parties.	-	100.00%	-

Cash and Bank balances				
1.18	i. Bank Balance-proprietary accounts	73,581	-	73,581
	ii. Bank balance-customer accounts	93,917	-	93,917
	iii. Cash in hand	164,596	-	164,596
1.19	Total Assets	374,938,367		199,096,460
2. Liabilities				
Trade Payables				
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	98,171,632	-	98,171,632
Current Liabilities				
2.2	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	13,042,733	-	13,042,733
	iii. Short-term borrowings	19,675,137	-	19,675,137
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	2,391,053	-	2,391,053
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	901,900	-	901,900
2.2	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
Non-Current Liabilities				
2.3	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	Subordinated Loans	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
		134,182,456	-	134,182,456
2.5	Total Liabilities			
3. Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of:	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of:			
	(i) the 50% of Haircut multiplied by the underwriting commitments and	-	-	-
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.	-	-	-
	In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-

7m

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.			
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			
3.10	Short sell positions			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			
3.11	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
	Total Ranking Liabilities			

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)

374,938,367

199,096,460

(ii) Less: Adjusted value of liabilities (serial number 2.5)

(134,182,456)

(134,182,456)

(iii) Less: Total ranking liabilities (series number 3.11)

240,755,911

64,914,004

LIQUID CAPITAL BALANCE

36 CORRESPONDING FIGURES

Comparative information has been rearranged and reclassified, wherever necessary, for better presentation and comparison.

37 NUMBER OF EMPLOYEES

Number of employees as on June 30

Average number of employees during the year

2022	2021
54	54
45	46

38 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 31 October, 2022 by the board of directors of the company.

40 GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR