

Spinzer Equities (Private) Limited

Audited Financial Statements

FY Ended 30 June, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of **SPINZER EQUITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matter Paragraph

The financial Statements of the company for the year ended 30 June, 2022 were audited by another auditor who expressed an unmodified opinion in their report dated 29 December, 2022.

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

Place: Islamabad

Date: 28 October 2023

UDIN: AR202310163Fogezl09T



Nasir Javaid Maqsood Imran
Chartered Accountants



SPINZER EQUITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2023

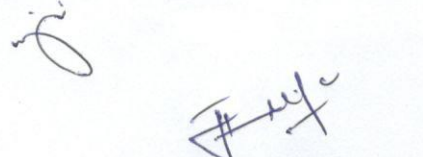
		2023	2022
		Restated	
		----- (Pak Rupee) -----	
ASSETS	Note		
NON-CURRENT ASSETS			
Property and equipment	4	3,755,672	4,377,111
Office building	5	31,249,285	34,427,178
Investment property	6	15,624,642	17,213,589
Intangible asset	7	2,500,000	2,500,000
Long term investments	9	62,391,445	52,984,174
Long term deposits	10	2,540,000	2,640,000
		118,061,044	114,142,052
CURRENT ASSETS			
Trade and other receivable - net	11	31,398,529	21,135,889
Advances, deposits and prepayments	12	401,000	4,009
Short term investments	13	15,042,918	14,999,059
Cash and bank balances	14	3,576,834	13,184,388
		50,419,281	49,323,345
		<u>168,480,325</u>	<u>163,465,396</u>
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		100,000,000	100,000,000
Issued, subscribed and paid-up capital	15	94,968,380	94,968,380
Revenue reserve			
Unappropriated profit		58,081,158	46,109,928
		<u>153,049,538</u>	<u>141,078,308</u>
NON-CURRENT LIABILITIES			
Deferred tax liability - net	17	479,556	5,975,141
CURRENT LIABILITIES			
Trade and other payables	18	14,722,598	16,390,306
Provision for Taxation		228,632	21,641
		14,951,230	16,411,947
CONTINGENCIES AND COMMITMENTS	19	<u>168,480,325</u>	<u>163,465,396</u>

The annexed notes 1 to 31 form an integral part of these financial statements.



Chief Executive Officer






Director

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

		2023	2022
		Restated	
	Note	----- (Pak Rupee) -----	
Revenue	20	16,605,332	18,290,371
Operating and administrative expenses	21	(18,022,988)	(21,231,688)
Operating loss		<u>(1,417,656)</u>	<u>(2,941,317)</u>
Other income	22	8,801,740	4,351,718
Profit before taxation		<u>7,384,084</u>	<u>1,410,401</u>
Taxation	23	4,587,146	(2,160,967)
Profit/(Loss) for the year		<u><u>11,971,230</u></u>	<u><u>(750,566)</u></u>

The annexed notes 1 to 31 form an integral part of these financial statements.



 Chief Executive Officer






 Director

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

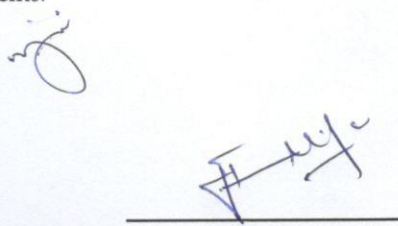
	2023	2022 Restated
	----- (Pak Rupee) -----	
(Loss) / profit for the year	11,971,230	(750,566)
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>11,971,230</u></u>	<u><u>(750,566)</u></u>

The annexed notes 1 to 31 form an integral part of these financial statements.



 Chief Executive Officer





 Director

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

	Share Capital	Revenue reserve	Total
	Issued, subscribed and paid-up capital	Unappropriated profit	
	----- (Pak Rupee) -----		
Balance as at July 01, 2021 - restated	94,968,380	46,860,494	141,828,874
Total comprehensive income for the year			
Loss for the year	-	(750,566)	(750,566)
Other comprehensive income/(loss)	-	(750,566)	(750,566)
Balance as at June 30, 2022 - restated	94,968,380	46,109,928	141,078,308
Total comprehensive income for the year			
Profit for the year	-	11,971,230	11,971,230
Other comprehensive income/(loss)	-	-	-
Balance as at June 30, 2023	94,968,380	58,081,158	153,049,538

The annexed notes 1 to 31 form an integral part of these financial statements.

Chief Executive Officer



Director

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

		2023	2022
		Restated	
	Note	------(Pak Rupee)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,384,084	1,410,401
Adjustments:			
Depreciation	4	726,078	726,078
Unrealized (gain)/loss on investments		(7,186,348)	(2,093,877)
Depreciation on ROU asset	5	3,177,893	3,177,893
Depreciation on investment property	6	1,588,947	1,588,947
Provision for doubtful receivables		236,700	-
Dividend income		-	(3,280,212)
		(1,456,730)	118,829
		<u>5,927,354</u>	<u>1,529,230</u>
Profit before working capital changes			
Trade and other receivable		(10,262,640)	(5,933,339)
Advances, deposits and prepayments		(396,991)	1,715,988
Trade and other payables		(1,667,708)	(15,584,137)
Cash generated from/(used in) operations		<u>(12,327,339)</u>	<u>(19,801,488)</u>
Short-term investments		(2,349,178)	(1,019,060)
Dividend received		-	3,280,212
Taxes paid		(691,001)	1,160,852
		<u>(3,040,179)</u>	<u>3,422,004</u>
Net cash (used in) / generated from operating activities		<u>(9,440,164)</u>	<u>(14,850,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(267,390)	(2,032,362)
Long term deposits		100,000	61,420
Net cash used in investing activities		<u>(167,390)</u>	<u>(1,970,942)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (decrease)/increase in cash and cash equivalents		<u>(9,607,554)</u>	<u>(16,821,196)</u>
Cash and cash equivalents at the beginning of the year		13,184,388	30,005,584
Cash and cash equivalents at the end of the year	14	<u>3,576,834</u>	<u>13,184,388</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

Chief Executive Officer



Director

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Spinzer Equities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on January 01, 2004 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). 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.

The geographical location and address of Company and its branch office is as follows:

Business Units Geographical Location

Registered office Office #1113, 11th floor, ISE Towers, Jinnah Avenue, Islamabad

Branch Office 1st Floor, Chakdara trade Centre, University Road, Chakdara, Dir (Lower), KPK

Liaison Office 1 Office # 1, Plot # 2F, Sangam Market, I-8/3, Islamabad

Liaison Office 2 Office # 5B, 3rd Floor, Ittihad Plaza, University Road, Peshawar.

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan.

Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) for SMEs issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as mentioned in relevant notes

2.3 Accounting 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 continually evaluated and are based on historical experience as well as expectations of future events 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.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

- (i) Estimates of useful lives and residual values of items of property, plant and equipment;
- (ii) Estimates of useful lives of intangible assets;
- (iii) Provision for doubtful receivables;
- (iv) Fair values of unquoted equity investments;
- (v) Classification, recognition, measurement / valuation of financial instruments; and
- (vi) Provision for taxation

2.4 Change of Accounting Framework

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

	2022 Rupees	2021 Rupees
Decrease in Unrealized surplus on remeasurement of investments measured at FVOCI	17,714,348	16,075,889
Increase in Unappropriated Profit	17,714,348	16,075,889

2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Initial Recognition

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

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized.

All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the year when the asset is available for use until the asset is disposed of.

Disposal

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

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Change in estimate

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

3.2 Intangible Asset - Acquired

TREC Certificate

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

Judgments and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 Investment property

Recognition and Measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis after initial recognition are measured at fair value, at each reporting date. The changes in fair

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

value recognised in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

Judgments and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

3.4 Financial Instruments

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

i) Financial assets and liabilities at amortized cost

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

ii) Financial assets and liabilities at FVTPL

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

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

3.3.1 Impairment of financial assets

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.3.2 Derecognition of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

3.5 Impairment non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

reversals of impairment losses for individual assets and recognised in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

**3.6 Trade Receivable
Measurement**

Trade receivable are recognised initially at fair value and subsequently measured at cost less provision for doubtful debts.

Impairment

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

Judgments and estimates

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

3.7 Taxation

Income tax expense comprises current and deferred tax.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Management yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying

amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

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

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.8 Settlement Date Accounting

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

SPINZER EQUITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.9 Cash and cash equivalents

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances including cash in hand, balances with banks on current and savings accounts.

3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

3.11 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.

3.12 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgement and estimates

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

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

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

Brokerage Commission

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

Income on bank deposits

Mark-up / interest on bank deposits and return on investments is recognized on time apportionment basis when right to receive is established using effective interest rate.

Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- it is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Others

Gain / loss on sale of investment is recognized in the year in which they arise.

Rental income

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the lease term and is included in 'other income'.

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3.15 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.

3.16 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.17 Related party transactions

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



SPINZER EQUITIES (PRIVATE) LIMITED
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4 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	------(Pak Rupee)-----				
Cost					
Balance as at July 01, 2021	778,938	535,075	288,920	5,209,184	6,812,117
Additions	-	-	-	2,032,362	2,032,362
Balance as at June 30, 2022	778,938	535,075	288,920	7,241,546	8,844,479
Depreciation					
Balance as at July 01, 2021	205,781	353,758	106,249	3,075,502	3,741,290
For the year	57,316	54,395	18,267	596,100	726,078
Balance as at June 30, 2022	263,097	408,153	124,516	3,671,602	4,467,368
Carrying amount as at June 30, 2022	515,841	126,922	164,404	3,569,944	4,377,111
Balance as at June 30, 2022	778,938	535,075	288,920	7,241,546	8,844,479
Additions	-	210,000	57,390	-	267,390
Balance as at June 30, 2023	778,938	745,075	346,310	7,241,546	9,111,869
Depreciation					
Balance as at June 30, 2022	263,097	408,153	124,516	3,671,602	4,467,368
For the year	51,584	101,076	22,179	713,989	888,829
Balance as at June 30, 2023	314,681	509,230	146,695	4,385,591	5,356,197
Carrying amount as at June 30, 2023	464,257	235,845	199,615	2,855,955	3,755,672
Rate of Depreciation	10%	30%	10%	20%	

4.1 Depreciation has been allocated to administrative expenses.

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5 OFFICE BUILDING		2023	2022
		----- (Pak Rupee) -----	
	Note		
Opening balance		34,427,178	37,605,071
Additions during the year	5.1	-	-
Depreciation	5.2	(3,177,893)	(3,177,893)
		<u>31,249,285</u>	<u>34,427,178</u>

5.1 Building acquired at fair value against issue of ordinary shares of Rs 10 each. Its approximate area is 1339 Square feet.

5.2 The rate of depreciation applicable is 8% per annum on straight line basis.

6 INVESTMENT PROPERTY		2023	2022
		----- (Pak Rupee) -----	
	Note		
Opening balance		17,213,589	18,802,535.24
Additions during the year	6.1	-	-
Depreciation	6.2	(1,588,947)	(1,588,947)
		<u>15,624,642</u>	<u>17,213,589</u>

6.1 Investment property is rented out and is stated at historical cost.

6.2 The rate of depreciation applicable is 8% per annum on straight line basis.

7 INTANGIBLE ASSET		2023	2022
Trading Right Entitlement Certificate ("TREC")	7.1	<u>2,500,000</u>	<u>2,500,000</u>

7.1 These are carried at notional value. Notional values of these Trading Right Entitlement Certificates is Rs. 2.5 million (2021: Rs.2.5 million), as published by the PSX.

7.2 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs.2.5 million to meet Base Minimum Capital (BMC) requirement.

8 FINANCIAL ASSETS OTHER THAN CASH AND BANK		2023	2022
<i>Financial Assests Unlisted Equity shares</i>	9	62,391,445	52,984,174
<i>Financial Assests Listed Equity Shares</i>	13	15,042,918	14,999,059
<i>Financial assets at amortised cost</i>			
- Long term deposits	10	2,540,000	2,640,000
- Trade and Other receivable - net	11	31,398,529	21,135,889
- Deposits, prepayments and other receivables	12	401,000	4,009
		<u>34,339,529</u>	<u>23,779,898</u>
		<u>111,773,892</u>	<u>91,763,131</u>

9 LONG TERM INVESTMENT AT FVTPL - unlisted equity securities

Opening Balance	9.1	52,984,174	50,890,297
Adjustment for remeasurement to fair value	9.2	9,407,270	2,093,877
		<u>62,391,445</u>	<u>52,984,174</u>

9.1 This include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") sub-account marked as blocked.

9.2 This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

10 LONG TERM DEPOSITS		2023	2022
		----- (Pak Rupee) -----	
	Note		
Central Depository Company Limited	10.1	100,000	100,000
National Clearing Company of Pakistan Limited	10.2	2,240,000	2,340,000
Pakistan Stock Exchange Limited	10.3	200,000	200,000
		<u>2,540,000</u>	<u>2,640,000</u>

SPINZER EQUITIES (PRIVATE) LIMITED
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- 10.1 This represents security deposit held with Central Depository Company.
10.2 This represents security deposit held with National Clearing Company of Pakistan Limited. Rs. 1 Million for trading of futures, Rs. 205,000 for regular trading and Rs. 1,035,000 (2022: Rs. 1,135,000) for margin trading.
10.3 This represents deposit held with Pakistan Stock Exchange Limited.

	Note	2023 ------(Pak Rupee)-----	2022
11 TRADE AND OTHER RECEIVABLE - NET			
Clients	11.1	21,055,460	22,183,296
Related parties	11.2	2,684,345	-
		23,739,805	22,183,296
Add: Other receivable	11.3	10,488,308	1,545,476
		34,228,112	23,728,772
Less: Provision for doubtful receivables			
Customer	11.4	(2,829,583)	(2,592,883)
		31,398,529	21,135,889

	2023		2022	
	Clients	Total	Clients	Total
	----- Pak Rupee -----		----- Pak Rupee -----	
Less than 5 days	9,673,477	9,673,477	675,984	675,984
Less than 14 days	407,283	407,283	1,488,579	1,488,579
Past due less than 365 days	11,319,303	11,319,303	16,201,292	16,201,292
Past due over 365 days	12,828,049	12,828,049	5,362,916	5,362,916
Gross trade receivable	34,228,112	34,228,112	23,728,771	23,728,771
Impairment provision	(2,829,583)	(2,829,583)	(2,592,883)	(2,592,883)
Net trade receivable	31,398,529	31,398,529	21,135,888	21,135,888

- 11.2 The maximum balance outstanding at any time during the year was Rs. 1,823,118
11.3 This includes amount receivable against trading of securities in all markets which is due for settlement.

	Note	2023 ------(Pak Rupee)-----	2022
11.4 Provision for doubtful receivables			
Balance as at July 1		2,592,883	2,326,355
Charged for the year		236,700	266,528
		2,829,583	2,592,883

12 ADVANCES, DEPOSITS AND PREPAYMENTS

Short-term and advances			
- Advances to employees		269,000	-
- Other advances		132,000	4,009
		401,000	4,009

13 SHORT TERM INVESTMENT AT FVTPL

Listed equity Securities	13.1	15,042,918	14,999,059
		15,042,918	14,999,059

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

14 CASH AND BANK BALANCES

Cash in hand		25,040	41,609
Cash at bank - Local currency			
Current accounts		3,551,794	13,142,779
		3,576,834	13,184,388

SPINZER EQUITIES (PRIVATE) LIMITED
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15 SHARE CAPITAL		Note	2023	2022
			----- (Pak Rupee) -----	
15.1	Authorized capital			
	10,000,000 (2022: 10,000,000) ordinary shares of PKR 10 each		<u>100,000,000</u>	<u>100,000,000</u>
15.2	Issued, subscribed and paid-up share capital			
	2023	2022	2023	2022
	(Number)	Restated	----- (Pak Rupee) -----	
	<u>6,479,468</u>	<u>6,479,468</u>	<u>64,794,684</u>	<u>64,794,684</u>
		Ordinary shares of Rs.10 each, issued for consideration other than cash (against fair value of the lease hold building and vehicle)		
	<u>3,017,370</u>	<u>3,017,370</u>	<u>30,173,696</u>	<u>30,173,696</u>
		Ordinary shares of Rs.10 each, issued for cash		
	<u>9,496,838</u>	<u>9,496,838</u>	<u>94,968,380</u>	<u>94,968,380</u>
		Total balance		

15.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2023	2022	2023	2022
Mr. Liaquat Ali Khan	1,592,235	1,592,235	17%	17%
Mr. Jibran Ali Khan	3,793,079	3,793,079	40%	40%
Mr. Safwan Ali Khan	3,474,634	3,474,634	37%	37%

15.4 All shares carry equal rights to vote, dividends and right & bonus issue.

16 FINANCIAL LIABILITIES		Note	2023	2022
			----- (Pak Rupee) -----	
	Current			
	Financial liabilities at amortised cost			
	Trade payable	18	14,722,598	16,390,306
	Provision for Taxation		228,632	21,641
			<u>14,951,230</u>	<u>16,411,947</u>

17 DEFERRED TAX LIABILITY

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	1,300,135	6,727,077
Deferred tax asset	(820,579)	(751,936)
	<u>479,556</u>	<u>5,975,141</u>

17.1 Elements of deferred tax

Property and equipment	1,300,135	1,803,281
Investment in unlisted securities	-	4,923,796
Provision for doubtful debts	(820,579)	(751,936)
	<u>479,556</u>	<u>5,975,141</u>

18 TRADE AND OTHER PAYABLES

Trade creditors	18.1	11,633,870	14,088,848
Advance from employees		-	15,178
Income tax employees		108,710	32,616
Other taxes payable		97,672	1,335,201
Accrued and Other payables		2,882,346	918,463
		<u>14,722,598</u>	<u>16,390,306</u>

18.1 Trade payables include balances amounting to Rs. 1,823 (2022: Rs. 454,362) due to related parties.

19 CONTINGENCIES AND COMMITMENTS

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

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		2023	2022
		Restated	
		----- (Pak Rupee) -----	
20 REVENUE	Note		
Commission Income Equity Trading		12,915,392	15,010,159
Dividend income		3,689,940	3,280,212
		<u>16,605,332</u>	<u>18,290,371</u>
21 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		5,253,036	4,895,242
Director's remuneration		2,848,590	2,298,884
Communication expense		212,757	168,727
Entertainment		273,320	160,078
Printing and stationery		114,030	59,561
CDC trading charges		64,324	163,185
NCCPL trading charges		263,230	553,656
PSX trading charges		504,580	647,919
Allowance for expected credit losses		236,700	266,528
Travelling and conveyance		346,080	155,339
Legal and professional charges		315,000	1,303,750
Taxes, rates and cess		12,420	2,060,080
Fee and Subscription		138,987	148,278
EOBI Expense		150,000	124,250
Software charges		105,840	106,081
Repair and maintenance		170,854	222,624
Auditor Remuneration	21.1	529,000	385,000
Utilities		352,204	893,235
Bank and other charges		6,040	21,968
Service charges		390,560	1,002,023
Misc. Expenses		79,767	102,361
Depreciation	4	888,829	726,078
Depreciation on building	5	3,177,893	3,177,893
Depreciation on investment property	6	1,588,947	1,588,947
		<u>18,022,988</u>	<u>21,231,687</u>
21.1 Auditor's remuneration			
Audit Services			
Annual Audit fee		100,000	100,000
Non-audit services			
Certifications for regulatory purposes		429,000	285,000
		<u>529,000</u>	<u>385,000</u>
22 OTHER INCOME			
Income from Financial Assets			
Fair value gain/(loss) on equity instruments at FVTPL - unrealized		(2,220,922)	977,676
Fair value gain/(loss) on equity instruments at FVTPL - realized		69,646	-
Fair value gain on unlisted equity instruments at FVTPL - unrealized		9,407,270	2,093,877
		<u>7,255,994</u>	<u>3,071,553</u>
Income from Non-Financial Assets			
Miscellaneous income		707,216	487,615
Rental income		838,530	792,550
		<u>1,545,746</u>	<u>1,280,165</u>
Total other income		<u>8,801,740</u>	<u>4,351,718</u>
23 INCOME TAX EXPENSE			
Current tax		930,080	679,659
Prior tax		(21,641)	-
Deferred tax		(5,495,585)	1,481,308
		<u>(4,587,146)</u>	<u>2,160,967</u>

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24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below:

	2023		2022	
	CEO	Director	CEO	Director
	----- Pak Rupee -----		----- Pak Rupee -----	
Short term employee benefits				
Managerial Remuneration	1,499,944	798,940	1,499,944	798,940.00
Commission paid	-	-	-	-
	<u>1,499,944</u>	<u>798,940</u>	<u>1,499,944</u>	<u>798,940</u>
No. of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
No. of Executive employees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SPINZER EQUITIES (PRIVATE) LIMITED
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25 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Capital adequacy level as required by CDC is calculated as follows;

	2023	2022
	----- (Pak Rupee) -----	
Total assets	168,480,325	163,465,396
Less: Total liabilities	(15,430,787)	(22,365,447)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	<u>153,049,538</u>	<u>141,099,949</u>

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

26 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at June 30, 2022, the Company is required to maintain BMC of Rs. 8 million. The company has pledged TRE certificate and of shares of ISE REIT to meet this requirement.

The notional value of the TREC and break-up value of the shares for the purpose of BMC is determined by the PSX as under:

	Note	2023	2022
		----- (Pak Rupee) -----	
Trading Right Entitlement Certificates	7	2,500,000	2,500,000
ISE Real Estate Investment Trust shares		<u>62,391,445</u>	<u>52,984,174</u>
		<u>64,891,445</u>	<u>55,484,174</u>

SPINZER EQUITIES (PRIVATE) LIMITED
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27 Liquid Capital Balance

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- (Pak Rupee) -----		
I. Assets				
1.1	Property & Equipment	50,629,599	50,629,599	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities:			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT	-	-	-
	- Sale value on the date on the basis of PKRV published by NIFT			
1.4	Investment in Debt. Securities:			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities:			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	15,042,918	2,321,885	12,721,033
	ii. If unlisted, 100% of carrying value.	62,391,445	62,391,445	-
1.6	Investment in subsidiaries:			
	- 100% of net value	-	-	-
1.7	Investment in associated companies/undertaking:			
	i. If listed 15% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity	1,505,000	1,505,000	-
	- 100% of net value			
1.9	Margin deposits with exchange and clearing house - Nil Haircut	1,035,000	-	1,035,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil	-	-	-
1.11	Other deposits and prepayments	-	-	-
	- 100% haircut of carrying value			
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.: - nil	-	-	-
	- 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables: - Nil	-	-	-
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:			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	269,000	-	269,000
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	-	-
	iii. In all other cases. - 100% of net value	956,604	956,604	-

SPINZER EQUITIES (PRIVATE) LIMITED
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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.	9,663,704	-	9,663,704
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if	-	-	-
	a. value of securities held in the blocked account after applying VAR based Haircut,			
	b. cash deposited as collateral by the Finanee and			
	c. 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.</i>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract	-	-	-
	- <i>Net amount after deducting haircut</i>			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	9,773	-	9,773
	- <i>Balance sheet value</i>			
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of	21,045,687	9,544,266	9,544,266
	a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts,			
	b. cash deposited as collateral by the respective customer and			
	c. the market value of securities held as collateral after applying VAR based haircuts.			
	- <i>Lower of net balance sheet value or value determined through adjustments.</i>			
	vi. <i>100% haircut in the case of amount receivable from related parties.</i>	2,684,345	2,684,345	-
1.18	Cash and Bank balances:			
	i. Bank Balance-proprietary accounts	93,761	-	93,761
	ii. Bank balance-customer accounts	3,458,033	-	3,458,033
	iii. Cash in hand	25,040	-	25,040
1.19	Subscription money against investment in IPO/offer for sale (asset):			
	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.	-	-	-
	- <i>Net amount after deducting haircuts</i>			
1.20	Total Assets	171,309,908	132,533,144	36,819,610
2.	Liabilities			
2.1	Trade Payables:			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	11,633,870	-	11,633,870
2.2	Current Liabilities:			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	3,088,728	-	3,088,728
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	479,556	-	479,556
	viii. Provision for taxation	228,632	-	228,632
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-

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2.3	Non-Current Liabilities:			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. other liabilities as per accounting principles and included in the financial statements	-	-	-
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	- 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. In this regard, following <i>conditions</i> are specified:	-	-	-
	a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period			
	b. No haircut will be allowed against short term portion which is repayable within next 12 months.			
	c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
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	15,430,786	-	15,430,786
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 finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	Concentration in securities lending and borrowing:			
	The amount by which the aggregate of:	-	-	-
	(i) Amount deposited by the borrower with NCCPL			
	(ii) Cash margins paid and			
	(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
	- Amount as determined through adjustment			
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 commitment.			
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	- Amount as determined through adjustment			
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	-	-	-
	- Amount as determined through adjustment			

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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 - Amount as determined through adjustment	-	-	-
3.6	Amount Payable under REPO: - Carrying Value	-	-	-
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. - Amount as determined through adjustment	-	-	-
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 - Amount as determined through adjustment	-	277,944	13,897
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. 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 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.	-	-	-
3.11	Total Ranking Liabilities	-	277,944	13,897
Total Liquid Capital As At June 30, 2023 (1.20-2.5-3.11)		155,879,122	132,255,200	21,374,926

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	36,819,610
(ii) Less: Adjusted value of liabilities (serial number 2.6)	15,430,786
(iii) Less: Total ranking liabilities (serial number 3.11)	13,897
	<u>21,374,926</u>

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28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise).

28.1 Remuneration paid to Chief Executive Officer and Directors are disclosed in note 24 of the financial statements.

29 INFORMATION REQUIRED BY REGULATION 34 OF SECURITIES BROKER REGULATIONS 2016

	2023	2022
Customer shares in the central depository system	28,174,497	33,857,869
Customer's cash in bank account - PKR	3,458,033	13,087,384
Securities pledged with financial institutions	1,432,525	1,075,248

30 GENERAL


30.1 The figures have been rounded off to the nearest Rupees.

	2023	2022
30.2 Number of persons employed	13	8
Average number employees during the year	11	8

30.3 The corresponding figures have been rearranged and reclassified, wherever considered necessary.


31 DATE OF AUTHORIZATION

These financial statements have been authorized by the Board of Directors of the Company on 28-Oct-2023



 Chief Executive Officer





 Director