

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity 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 purpose of the audit.

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

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but those 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.



### **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 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 audit evidence obtained up to the date of our auditor's report. However, future events and 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.

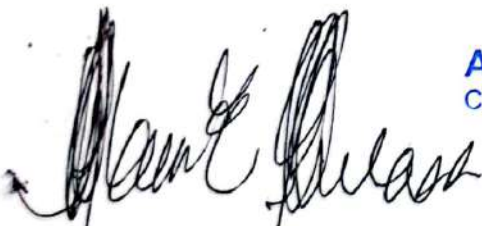
We communicate with those charged with governance and the board of directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

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

- Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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 accounts and returns;
- Investment 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 engagement partner on audit resulting in this independent auditor's report is Muhammad Naeem.



**Alam & Aulakh**  
Chartered Accountants

ALAM & AULAKH  
CHARTERED ACCOUNTANTS

Place: Lahore  
Date: October 07, 2023

UDIN: AR202310190gho46mlcw



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

		2023	2022
	Note	Rupees	Restated Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term investments	4	57,642,967	24,524,304
Long-term deposits	5	2,555,000	3,305,000
		<b>60,197,967</b>	<b>27,829,304</b>
<b>Current assets</b>			
Trade debtors	6	95,913	200,965
Prepayments and advances	7	500,000	1,000,000
Short term Investment	8	91,482,838	75,958,500
Cash and bank balances	9	172,604	795,457
		<b>92,251,355</b>	<b>77,954,922</b>
<b>Total assets</b>		<b>152,449,322</b>	<b>105,784,226</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid up share capital	10	97,000,000	97,000,000
<b>Capital Reserve</b>			
Capital reserve		4,785,231	3,598,135
<b>Revenue Reserve</b>			
Unappropriated profit		46,364,615	1,046,565
<b>Total Equity</b>		<b>148,149,846</b>	<b>101,644,700</b>
<b>Non-current liabilities</b>			
Deferred taxation	11	-	4,022,017
<b>Current liabilities</b>			
Loan from director	12	4,217,183	-
Trade and other payables	13	80,000	80,000
Current Tax Liability	14	2,292	37,509
		<b>4,299,475</b>	<b>117,509</b>
<b>Total equity and liabilities</b>		<b>152,449,321</b>	<b>105,784,226</b>
<b>Contingencies and commitments</b>	15	-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**

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

		2023	2022
	Note	Rupees	Restated Rupees
Operating Revenue	16	12,533,419	18,058,187
Loss on sale of short term investments		(419,350)	(217,616)
<b>Gross profit</b>		<b>12,114,069</b>	<b>17,840,571</b>
Other income	17	51,009,872	10,461,339
Other expenses	18	(11,345,234)	-
Administrative expenses	19	(3,984,897)	(4,666,060)
<b>Operating profit</b>		<b>47,793,810</b>	<b>23,635,850</b>
Finance charges	20	(2,442)	(52)
<b>Profit before taxation</b>		<b>47,791,368</b>	<b>23,635,798</b>
Taxation	21	(2,473,318)	(1,590,234)
<b>Profit for the year</b>		<b>45,318,051</b>	<b>22,045,564</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

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

	2023 Rupees	2022 Restated Rupees
Profit for the year	45,318,051	22,045,564
<b>Other comprehensive income</b>		
<b>Items that will not be subsequently reclassified to profit or loss</b>		
Unrealized (loss) / gain during the period in the market value of investments measured at FVTOCI.	-	(4,127,038)
Derecognition of fair value reserve on reclassification of investment	(3,598,135)	-
Deferred tax on available for sale investment	4,785,231	(4,785,231)
	1,187,096	(8,912,269)
<b>Total comprehensive income for the year</b>	<b>46,505,146</b>	<b>13,133,295</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
 Chief Executive

  
 Director

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

	Note	2023 Rupees	2022 Rupees
<b>Cash flows from operating activities</b>			
Profit before taxation		47,791,368	23,635,798
<b>Adjustments for non cash and other items:</b>			
Unrealized loss / (gain) on short-term investments		11,345,234	(10,453,003)
Realized loss on sale of short-term investments		419,350	217,616
Reversal of impairment loss on investment through FVTPL		(49,525,537)	-
Dividend income		(11,345,738)	(15,425,559)
Finance cost		2,442	52
		(49,104,249)	(25,660,894)
		(1,312,881)	(2,025,096)
<b>(Increase) / decrease in current assets:</b>			
Trade debts		105,053	(191,089)
Prepayments and advances		500,000	3,383,646
		605,053	3,192,557
<b>(Decrease) / Increase in current liabilities:</b>			
Trade and other payables		-	(4,314,304)
<b>Cash used in operations</b>		(707,828)	(3,146,843)
Tax paid		(1,745,321)	(2,346,146)
Dividend received		11,345,738	15,425,559
Payments for acquisition of securities		(26,674,022)	(16,534,113)
Receipts from disposal of securities		12,193,839	-
Finance cost paid		(2,442)	(52)
		(4,882,208)	(3,454,752)
<b>Net cash used in operating activities</b>	A	(5,590,036)	(6,601,595)
<b>Cash flows from investing activities</b>			
Decrease in long term investment		-	-
Decrease in advances and deposits		750,000	1,500,000
<b>Net cash generated from investing activities</b>	B	750,000	1,500,000
<b>Cash flows from financing activities</b>			
Proceeds from loan from director	C	4,217,183	-
<b>Net cash generated from financing activities</b>		4,217,183	-
<b>Net decrease in cash and cash equivalents</b>	A+B+C	(622,853)	(5,101,595)
Cash and cash equivalents at the beginning of the year		795,456	5,897,051
<b>Cash and cash equivalents at the end of the year</b>	9	172,604	795,456

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive



Director





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

	Share capital	Reserves		Total equity
	Issued, subscribed and paid-up capital	Unrealized surplus / (deficit) on re-measurement of investments measured at FVTOCI	Unappropriated profit	
	-----Rupees-----			
Balance as at July 01, 2021	9,700,000	(39,368,166)	30,879,571	88,511,405
Profit for the year - Restated	-	-	22,045,564	22,045,564
Other comprehensive income - Restated	-	(8,912,269)	-	(8,912,269)
Total comprehensive income for the year	-	(8,912,269)	22,045,564	13,133,295
Rectification of Error	-	51,878,570	(51,878,570)	-
Balance as at June 30, 2022 - Restated	9,700,000	3,598,135	1,046,565	101,644,700
<b>Balance as at July 01, 2022</b>	<b>9,700,000</b>	<b>3,598,135</b>	<b>1,046,565</b>	<b>101,644,700</b>
Profit for the year	-	-	45,318,051	45,318,051
Other comprehensive loss	-	1,187,096	-	1,187,096
Total comprehensive income for the year	-	1,187,096	45,318,051	46,505,146
<b>Balance as at June 30, 2023</b>	<b>9,700,000</b>	<b>4,785,231</b>	<b>46,364,615</b>	<b>148,149,846</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and operations**

Asad Mustafa Securities (Private) Limited (the Company) was incorporated in Pakistan on November 11, 2013 as a single member private limited company, under repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It was converted to a private limited company with effect from February 18, 2017. The Company's registered office is situated at 305 South Tower, LSEFSL Tower, 19-Khayaban-e-Aiwan-Iqbal, Lahore. The company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulation 2016 (the " Regulation).

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain items as discussed in the relevant accounting policies below.

**2.3 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. These financial statements are presented in Pakistan Rupee (Rs. /Rupees) which is the Company's functional and presentation currency.

**2.4 Key judgments and estimates**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are documented in the following accounting policies and notes and relate primarily to:

- Provision for doubtful trade debts - Note 3.5 & 6
- Impairment - Note 3.3.4
- Estimation of provisions - Note 3.10
- Estimation of contingent liabilities - Note 3.11 & 15
- Current income tax expense and provision for taxation - Note 3.9, 14 & 20

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Intangible assets

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

##### 3.1.1 Membership cards and offices

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

#### 3.2 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for at cost less impairment. Under the cost less impairment method, investments in associates are initially recognized at cost and the investment is tested for impairment at each year end and impairment if any is charged to the statement of profit or loss.

#### 3.3 Financial instruments

3.3.1 The Company classifies its financial assets in the following three categories:

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

##### a) Financial assets measured at amortized cost

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

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

##### b) Financial assets at FVOCI

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

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

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**c) Financial assets at FVTPL**

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

**3.3.2 Initial recognition**

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

**3.3.3 Subsequent measurement**

**a) Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

**b) Financial assets at FVOCI**

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

**c) Financial assets at FVTPL**

These assets are subsequently measured at fair value.

Net gains or losses arising from measurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.



#### 3.3.4 Impairment

##### Financial assets

The financial assets other than those that are carried at fair value, if any, 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, if any, is recognised 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 recognised.

##### Non-financial assets

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss, if any, is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset 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. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount, in which case reversal of an impairment loss is treated as a revaluation increase.

#### 3.4 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities

#### 3.5 Trade debts and other receivables

Trade debts are recognised at original invoice amount less provision / allowance for impairment of doubtful debts. A provision / allowance for impairment of doubtful debts and other receivables 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 receivables. Balances considered bad and irrecoverable are

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

#### 3.6 Prepayments and advances

These are carried at fair value of the consideration to be received in future. An estimated provision is made against amounts considered doubtful of recovery. Whereas, amounts considered irrecoverable are written off.

**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**3.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise of cash in hand and cash at bank in current and saving / deposit accounts.

**3.8 Trade and other payables**

Trade and other payables are carried at their cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Company or not.

**3.9 Taxation**

Income tax comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized in statement of comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in statement of comprehensive income or equity.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

**Deferred tax**

A deferred tax liability is recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and the carry forward of unused tax losses.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the reporting date.

**3.10 Provisions**

A provision is recognised when the Company has a legal or constructive present obligation as a result of 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. Provisions are reviewed at each reporting date and adjusted prospectively.

**3.11 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.



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**3.12 Revenue recognition**

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

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets are included in profit and loss (for assets measured at FVTPL) or OCT (for assets measured at FVTOCI)
- Income / profit on exposure deposits is recognized using the effective interest rate.

**3.13 Dividend income**

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is 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. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

**3.14 Related party transactions**

Related party transaction is a transfer of resources, services or obligation between the company and a related party, regardless of whether a price is charged. Related parties may include parent companies, associated companies, associated persons, directors and key management personnel and post employment benefit plans etc. The Company carries out transaction with various related parties in the normal course of business and all the transactions with related parties are being carried out on arm's length terms, unless otherwise stated under relevant note.

*[Handwritten initials]*



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Restated Rupees
<b>4 LONG-TERM INVESTMENTS</b>			
Investment in associated undertaking	4.1	57,642,967	8,117,430
LSE Financial Services Limited	4.3	-	16,406,874
		<u>57,642,967</u>	<u>24,524,304</u>
<b>4.1 Investment in associated undertaking</b>			
NMDA Limited			
Balance as at July 01,		8,117,430	59,996,000
Add: Reversal of impairment loss through FTVPL		49,525,537	-
Less: Impairment charged during the year		-	(51,878,570)
Balance as at June 30,		<u>57,642,967</u>	<u>8,117,430</u>
<b>4.2</b>	The company owns 99.99% shares of M/s NMDA Limited (public unlisted company) which is incorporated in Pakistan. Its registered office is situated at 601/1-1 Z, Phase III, DHA, Lahore. Investment in NMDA Limited (associated undertaking) is being recorded at its cost less impairment loss at at June 30, 2023 (5,999,600/= shares valued at Rs 9.608 (2022: 5,999,600/= shares valued at Rs 1.353)). Uptill now loss of Rs 2,353,033 (2022: Loss of Rs. 51,878,570) is being recorded on the aforesaid investment.		
<b>4.3 LSE Financial Services Limited</b>			
Balance as at July 01,		16,406,874	20,533,912
Reversal of investment upon classification from long term investment to short term investment		(12,808,739)	-
Reversal of Fair value adjustment reserve due to reclassification of investment from FVTOCI to FVTPL		(3,598,135)	(4,127,038)
Balance as at June 30,		<u>-</u>	<u>16,406,874</u>
<b>4.4</b>	During the year, LSE Financial Services Limited was demerged into two companies, LSE Venture Limited and LSE Proptech Limited, as per the demerger scheme approved by the Honorable Lahore Highcourt, dated April 26, 2023. During the year company has received the quited shares of LSE Venture Limited and LSE Proptech Limited against shares in LSE Financial Services Limited as per the above mentioned scheme. Due to change in investment form un-quited shares to quited shares, the company has reclassified the investment from available for sale investment to fair value through profit and loss and respective accumulated reserve has been charges to profit and loss account.		

**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Restated Rupees
<b>5 LONG-TERM DEPOSITS</b>			
Software (LSE Back Office)		25,000	25,000
Trading Rights Entitlements Certificates Lahore Stock Exchange Ltd.	5.1	2,500,000	2,500,000
Pakistan Mercantile Exchange		30,000	30,000
		-	750,000
		<u>2,555,000</u>	<u>3,305,000</u>
<b>5.1</b> Pursuant to Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.			
<b>6 TRADE DEBTS</b>			
Considered Goods	8.1	95,913	200,965
		<u>95,913</u>	<u>200,965</u>
Less: Provision for doubtful debts	8.2	-	-
		<u>95,913</u>	<u>200,965</u>
<b>6.1</b> Movement in provision against trade debt is as under:			
Opening balances (as at July 1)		-	7,462
Charged to profit and loss		-	(40,000)
		-	(32,538)
Amount written off during the		-	32,538
Closing Balance (as at June 30)		-	-
<b>7 PREPAYMENTS AND ADVANCES</b>			
Deposit Against Deliverable future contracts Trading		-	500,000
Trading Deposit to Pakistan Mercantile Exchange		-	500,000
Trading Deposit with Eclear		500,000	-
Income Tax Refundable	7.1	-	-
		<u>500,000</u>	<u>1,000,000</u>

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**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Restated Rupees
<b>7.1 INCOME TAX REFUNDABLE</b>			
Opening balance as at July 1		-	-
Add: Current Year additions		<u>1,714,415</u>	<u>2,315,940</u>
		<u>1,714,415</u>	<u>2,315,940</u>
Less: Adjustment against previous year provision for taxation		-	-
Adjustment against current year provision for taxation		<u>(1,714,415)</u>	<u>(2,315,940)</u>
		<u>-</u>	<u>-</u>
<b>8 SHORT TERM INVESTMENT</b>			
Investment at fair value through profit or loss			
Investment in listed securities	4.4	<u>91,482,838</u>	<u>75,958,500</u>
		<u>91,482,838</u>	<u>75,958,500</u>
<b>9 CASH AND BANK BALANCES</b>			
Cash at bank		172,604	795,457
- Current account		-	-
Cash in hand		<u>172,604</u>	<u>795,457</u>
<b>10 ISSUED , SUBSCRIBED AND PAID-UP CAPITAL</b>			
<b>10.1 Authorised share capital</b>			
10,000,000 (2022: 10,000,000 ordinary share of PKR 10 each		<u>100,000,000</u>	<u>10,000,000</u>
<b>10.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
9,700,000 (2022: 9,700,000) ordinary shares of Rs. 10/- each, issued for cash.		<u>97,000,000</u>	<u>97,000,000</u>
		<u>97,000,000</u>	<u>97,000,000</u>
This represents 9,700,000 (2022: 9,700,000) ordinary shares of Rs. 10/- each, issued for cash.			
<b>10.3 Reconciliation of numbers of shares outstanding</b>			
Opening number of shares		<u>9,700,000</u>	<u>9,700,000</u>
Closing number of shares		<u>9,700,000</u>	<u>9,700,000</u>
<b>11 DEFERRED TAXATION</b>			
Deferred credits/(debits) arising due to:			
Unrealized gain on long term investment		(682,380)	4,785,231
Unrealized gain on short term investment		2,995,385	3,031,371
Brought forward losses		(4,267,250)	(3,679,973)
Minimum taxes paid		(147,624)	(114,612)
Deferred tax asset not recognised		<u>2,101,869</u>	<u>-</u>
		<u>-</u>	<u>4,022,017</u>



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Note	2023 Rupees	2022 Restated Rupees
<b>11.1</b>	Deferred tax asset arising as at year end has not been recorded due to carried forward income tax losses (2022: N/A)	
<b>11.2</b>	<b>The gross movement in deferred tax liability during the year is as follows:</b>	
	4,022,017	-
	Balance as at July 01,	
	Add: charge for the year in:	
	763,214	(763,214)
	Profit or loss	
	(4,785,231)	4,785,231
	Other comprehensive income	
	<u>-</u>	<u>4,022,017</u>
<b>12</b>	<b>LOAN FROM DIRECTOR</b>	
	Asad Ali Khan	
	4,217,183	-
	<u>4,217,183</u>	<u>-</u>
	This represents unsecured interest-free loan from two directors of the Company repayable within 12 month date of the financial statements (2022: N/A).	
<b>13</b>	<b>TRADE AND OTHER PAYABLES</b>	
	Accrued and other payables	
	80,000	80,000
	<u>80,000</u>	<u>80,000</u>
<b>14</b>	<b>CURRENT TAX LIABILITY</b>	
	Balance at the beginning of the year	
	37,509	-
	Add: Current year provision	
	1,716,707	2,353,448
	<u>1,754,216</u>	<u>2,390,956</u>
	Less: Adjustment against previous year advance tax	
	-	(37,508)
	Excess provision charged in previous year	
	(6,603)	-
	Tax paid with return	
	(30,906)	-
	Adjustment against current year	
	(1,714,415)	(2,315,940)
	<u>2,292</u>	<u>37,509</u>
<b>15</b>	<b>CONTINGENCIES AND COMMITMENTS</b>	
	There are no known contingencies and commitments as at June 30, 2023 (2022: Nil).	
<b>16</b>	<b>OPERATING REVENUE</b>	
	Brokerage income	
	1,187,681	2,632,629
	Dividend income	
	11,345,738	15,425,559
	<u>12,533,419</u>	<u>18,058,187</u>
<b>17</b>	<b>OTHER INCOME</b>	
	Miscellaneous receipts	
	1,444,335	8,336
	Unrealized gain on remeasurement of investments classified at FVTPL	
	-	10,453,003
	Reversal of impairment loss on investment through FVTPL	
	49,525,537	-
	Bad debts recover	
	40,000	-
	<u>51,009,872</u>	<u>10,461,339</u>

**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Restated Rupees
<b>18 OTHER EXPENSES</b>			
Unrealized loss on remeasurement of short term investment		11,345,234	-
		<u>11,345,234</u>	<u>-</u>
<b>19 ADMINISTRATIVE EXPENSES</b>			
Staff salaries, allowances and other benefits		3,143,900	3,254,920
Travelling and Conveyance		-	1,500
Traders commission		9,155	174,443
Fee and subscription		67,025	126,911
Legal and professional charges		118,015	206,758
Audit fee	19.1	80,000	80,000
National Clearing Company of Pakistan trading fee		11,286	89,564
Telecommunication charges & Electricity Expenses		216,790	103,608
Entertainment Expense		6,467	-
Central Depository Company charges		3,570	81,071
Back office charges to LSE Financial Service Ltd.		65,000	11,935
LSE Room 305 Charges		181,124	226,103
Pakistan Mercantile Exchange fee		30,471	87,000
Trading charges		47,152	204,485
Bad debt		-	17,762
Misc. expenses		4,941	-
		<u>3,984,897</u>	<u>4,666,060</u>
<b>19.1 AUDITORS' REMUNERATION</b>			
Statutory Audit		80,000	80,000
		<u>80,000</u>	<u>80,000</u>
<b>20 FINANCE COST</b>			
Bank and other charges		2,442	52
		<u>2,442</u>	<u>52</u>
<b>21 TAXATION</b>			
<b>Current tax expense / (income)</b>			
- Current year		1,716,707	2,353,448
- Prior year		(6,603)	-
- Deferred tax		763,214	(763,214)
		<u>2,473,318</u>	<u>1,590,234</u>

**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Restated Rupees
<b>22 FINANCIAL INSTRUMENTS</b>			
<b>Financial Assets</b>			
<b>Fair value through other comprehensive income</b>			
LSE Financial Services Limited		-	16,406,874
<b>Investment at fair value through profit or loss</b>			
Investment in listed securities		91,482,838	75,958,500
<b>Cost less impairment loss</b>			
Investment in associated undertaking		57,642,967	8,117,430
<b>At amortised cost</b>			
Trade debts		95,913	200,965
Cash and bank balances		172,604	795,457
		268,517	996,422
<b>Financial Liabilities</b>			
<b>At amortised cost</b>			
Trade and other payables		80,000	80,000

**23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

No remuneration is received by the chief executive and directors during the period. Executive means an employee, other than the chief executive and directors, whose salary exceeds twelve hundred thousand rupees in a financial year. The aggregate amount charged in the financial statements for remuneration, including benefits, to the executives of the company as per the terms of the employment are as follows:

	No. of persons	2023	2022
Executives	1	1,654,000	1,711,300

**24 NUMBER OF EMPLOYEES**

	2023 Number	2022 Number
Total employees of the Company at the year end	5	5
Average employees of the Company during the year	5	6



**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**25 CAPITAL MANAGEMENT**

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

**25.2 CAPITAL ADEQUACY**

The Capital Adequacy level as required by CDC is Calculated as Follows

Total Assets	25.2.1	152,449,322
Less: Total Liabilities		(4,299,475)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
<b>Capital Adequacy Level</b>		<b>148,149,847</b>

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

**25.3 NET CAPITAL BALANCE**

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Net Capital Balance as required under Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines is calculated as follows;

A.	Description of Current Assets	Basis of Accounting	Note	Amount Rupees
1.	Cash in hand & Cash in bank	As per book value.		
	Cash in hand		9	-
	Cash at bank-House Account			172,604
				172,604
2.	Exposure PSX			-
3.	Trade receivables			95,913
	Less: Out standing for more than 14 days	Book value less those over due for more than 14 days.	6	(95,913)
				-
4.	Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	8	77,760,412
				<b>77,933,016</b>
<b>B.</b>	<b>Description of Current Liabilities</b>			
1.	Trade payables	Book value less those overdue for more than 30 days	13	-
	Less: Over due more than 30 days			-
				-
2.	Other Liabilities	Accrued & other Liabilities	13	80,000
				80,000
	<b>NET CAPITAL BALANCE</b>			<b>77,853,016</b>

**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**25.4 Liquid Capital**

S.No.	Head of Account	Value in Pak Rupee	Hair Cut/ Adjustments	Net Adjusted Value
1	<b>Assets</b>			
1.1	<b>Property &amp; Equipment</b>			
1.2	Intangible Assets			
1.3	Investment in Govt. Securities			
1.4	<b>Investment in Debt Securities</b>			
	<b>If listed then:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year			
	ii. 7.5% of the balance sheet value in the case of tenure from 1-3 years			
	iii. 10% of the balance sheet value in the case of tenure of more than 3 years			
	<b>If unlisted then:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year			
	ii. 12.5% of the balance sheet value in the case of tenure from 1-3 years			
	iii. 15% of the balance sheet value in the case of tenure of more than 3 years			
1.5	<b>Investment in Equity Securities</b>			
	i. If listed 15% of VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher	91,482,838	(13,722,426)	7,760,412
	ii. If unlisted, 100% of carrying value			
	iii. Subscription money against investment in IPO offer for sale. Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker			
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)			
1.6	Investment in Subdianes			
1.7	<b>Investment in associated companies undertaking</b>			
	i. If listed 20% of 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/regulatory deposits/bank deposits with the exchanges, clearing house or central depository or any other entity	2,555,000	2,555,000	
1.9	Margin deposits with exchange and clearing house			
1.10	Deposit with authorized intermediary against borrowed securities under S.B.			
1.11	Other deposits and prepayments			
1.12	Accrued interest, profit or markup on amounts placed with financial institutions or debt securities etc. (Nil)	500,000	500,000	
	100% in respect of markup accrued on loan to director, subdianes and other related parties			
1.13	Dividends receivables			
1.14	Amounts receivable against Repo financing Amount paid as purchaser under the REPO agreement (Securities purchased under repo arrangement shall not be included in the investments)			
1.15	Short Term Loan to Employees Loans are Secured and Due for repayment within 12 months			
	ii. Receivables other than trade receivables			
1.16	<b>Receivables from clearing house or securities exchange(s)</b>			
	i. 100% value of claim other than those on account of entitlements against trading of securities in all markets including MTM gains			
	ii. Receivable on entitlements against trading of securities in all markets including MTM gains			
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VAR based haircut			
	ii. Lower of net balance sheet value or value determined through adjustments			
	iii. In case receivables are against margin trading, 5% of the net balance sheet value			
	iv. Net amount after deducting haircut			
	v. In case receivables are against securities borrowings under S.B. the amount paid to NCCPL as collateral upon entering into contract			
	vi. Net amount after deducting haircut			
	vii. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value or Balance sheet value	93,913		93,913
	viii. In case of other trade receivables are overdue or 5 days or more, the aggregate of (i) the market value of securities purchased for customer 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			
	ix. 100% haircut in the case of amount receivable from related parties			

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**ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

1.18	<b>Cash and Bank balances</b>			
	i. Bank Balance - proprietary accounts	172,604		
	ii. Bank balance - customer accounts			
	iii. Cash in hand	152,449,322	(13,722,426)	138,726,896
* 1.19	<b>Total Assets</b>			
2	<b>Liabilities</b>			
2.1	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers			
2.2	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	80,000		80,000
	ii. Accruals and other payables	4,217,183		4,217,183
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for bad debts	2,292		2,292
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
2.3	<b>Non-Current Liabilities</b>			
	<b>i. Long-Term financing</b>			
	a. Long-Term financing obtained from financial institution. Long term portion of financing obtained from a financial institution including amount due against finance lease			
	b. Other long-term financing			
	ii. Staff retirement benefits			
	iii. Advance against shares for increase in Capital of Securities broker. 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allow 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 iv. Other liabilities as per accounting principles and included in the financial statements			
2.4	<b>Subordinated Loans</b>			
	i. 100% of Subordinated loans which fulfill the conditions specified by SEC P are allowed to be deducted. The Schedule II provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SEC P. In this regard, following conditions 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 ii. Subordinated loans which do not fulfill the conditions specified by SEC P			
2.5	<b>Total Liabilities</b>	4,299,475	0	4,299,475
3	<b>Ranking Liabilities Relating to :</b>			
3.1	<b>Concentration in Margin Financing</b> 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	<b>Concentration in securities lending and borrowing</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margin paid and (iii) The market value of securities pledged as margin exceed the 110% of the market value of shares borrowed			
3.3	<b>Net underwriting Commitments</b> (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  in the case of finance purchase the total amount receivable under Repo is less than 110% of the market value of underlying securities in the case of finance sell the market value of underlying securities after applying haircut less than the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser			
3.8	<b>Concentrated proprietary positions</b> 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		9,148,284	9,148,284
3.9	<b>Opening Positions in futures and options</b> 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 haircut In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	<b>Short sell positions</b> In case of customer positions, the market value of shares sold short in ready market on behalf of customer after increasing the same with the VaR based haircut less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VaR based haircut 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 haircut			
3.11	<b>Total Ranking Liabilities</b>		9,148,284	9,148,284
3.12	<b>Liquid Capital</b>	148,149,846	(22,870,709)	125,279,137

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	Restated Rupees
<b>26 EVENTS AFTER THE END OF THE REPORTING DATE</b>			
There are no events after balance sheet date that would require any disclosure(2022:same).			
<b>27 AUTHORISATION FOR ISSUE</b>			
These financial statements were approved by the Company's board of directors and authorised for issue on <u>October.07'2023</u>			
<b>28 GENERAL</b>			
Amounts presented in the financial statements have been rounded off to the nearest of Rs. /Rupees, unless otherwise stated.			

  
Chief Executive

  
Director