Exceptional
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Quarterly Report 2023

JS Global

Exceptional

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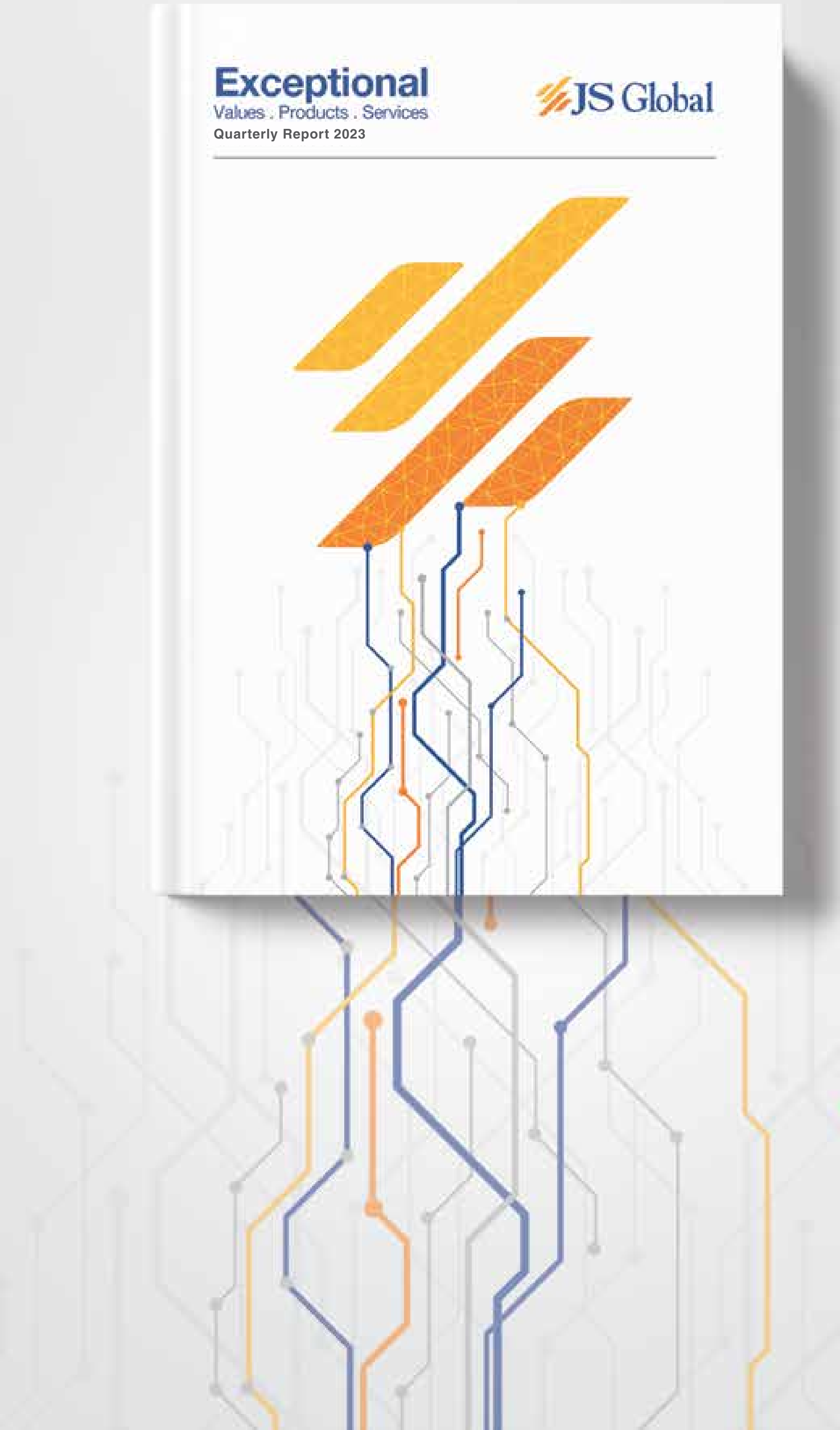
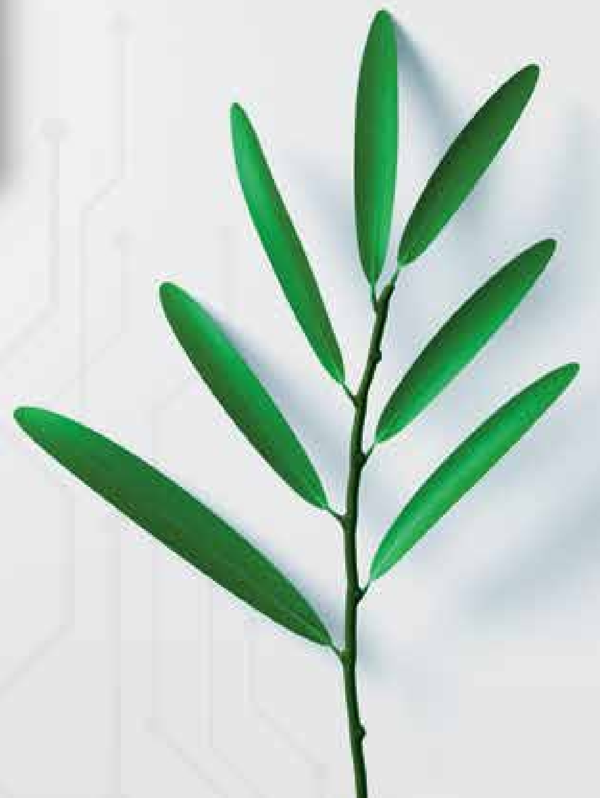
Quarterly Report 2023



JS Global Capital Limited (“JS Global” or “the Comany”) is one of Pakistan’s largest and oldest Brokerage and Investment Banking firms incorporated under the local laws of Pakistan. The company is part of the JS Group and majority owned by JS Bank Limited. The Company has exceptional leadership position in domestic capital markets together with one of the largest market share in equity brokerage. Besides this, the Company offers a range of other services as well, which includes Money Market, Forex and Commodity brokerage; Advisory, Underwriting, Book Running and Consultancy services. The Company objectively follows its long term strategic plan to achieve its goals which ultimately translate into better returns and value creation for all Stakeholders.



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Company Information

Board of Directors

Mr. Shahab Anwar Khawaja	Chairman- Independent Director
Mr. Maximilian Felix Scheder	Independent Director
Mr. Imtiaz Gadar	Chief Executive Officer
Mr. Fahad Viquar Siddiqui	Non-Executive Director
Mr. Amin Muhammad Virani	Non-Executive Director
Syed Jafar Raza	Non-Executive Director
Mr. Waqas Anis	Non-Executive Director

Audit Committee

Mr. Maximilian Felix Scheder	Chairman
Mr. Amin Muhammad Virani	Member
Syed Jafar Raza	Member

Risk Management Committee

Mr. Shahab Anwar Khawaja	Chairman
Mr. Amin Muhammad Virani	Member
Mr. Imtiaz Gadar	Member
Syed Jafar Raza	Member

Human Resource & Remuneration Committee

Mr. Shahab Anwar Khwaja	Chairman
Mr. Fahad Viquar Siddiqui	Member
Mr. Imtiaz Gadar	Member

Digital Committee

Mr. Maximilian Felix Scheder	Member
Mr. Fahad Viquar Siddiqui	Member
Mr. Imtiaz Gadar	Member
Mr. Waqas Anis	Member

Mr. Fahad Muslim	Chief Financial Officer
Muhammad Farukh	Company Secretary

External Auditor

KPMG Taseer Hadi & Co. Chartered Accountants
Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi.

Legal Advisors

Bawaney & Partners
3rd & 4th Floors, 68-C, Lane-13, Bukhari Commercial Area, Phase-VI, D.H.A., Karachi.

Bankers

JS Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Bank Alfalah Limited
National Bank of Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited
BankIslami Pakistan Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Askari Bank Limited
Sindh Bank Limited
Summit Bank Limited

Share Registrar

CDC Share Registrar Services Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi

Registered Office

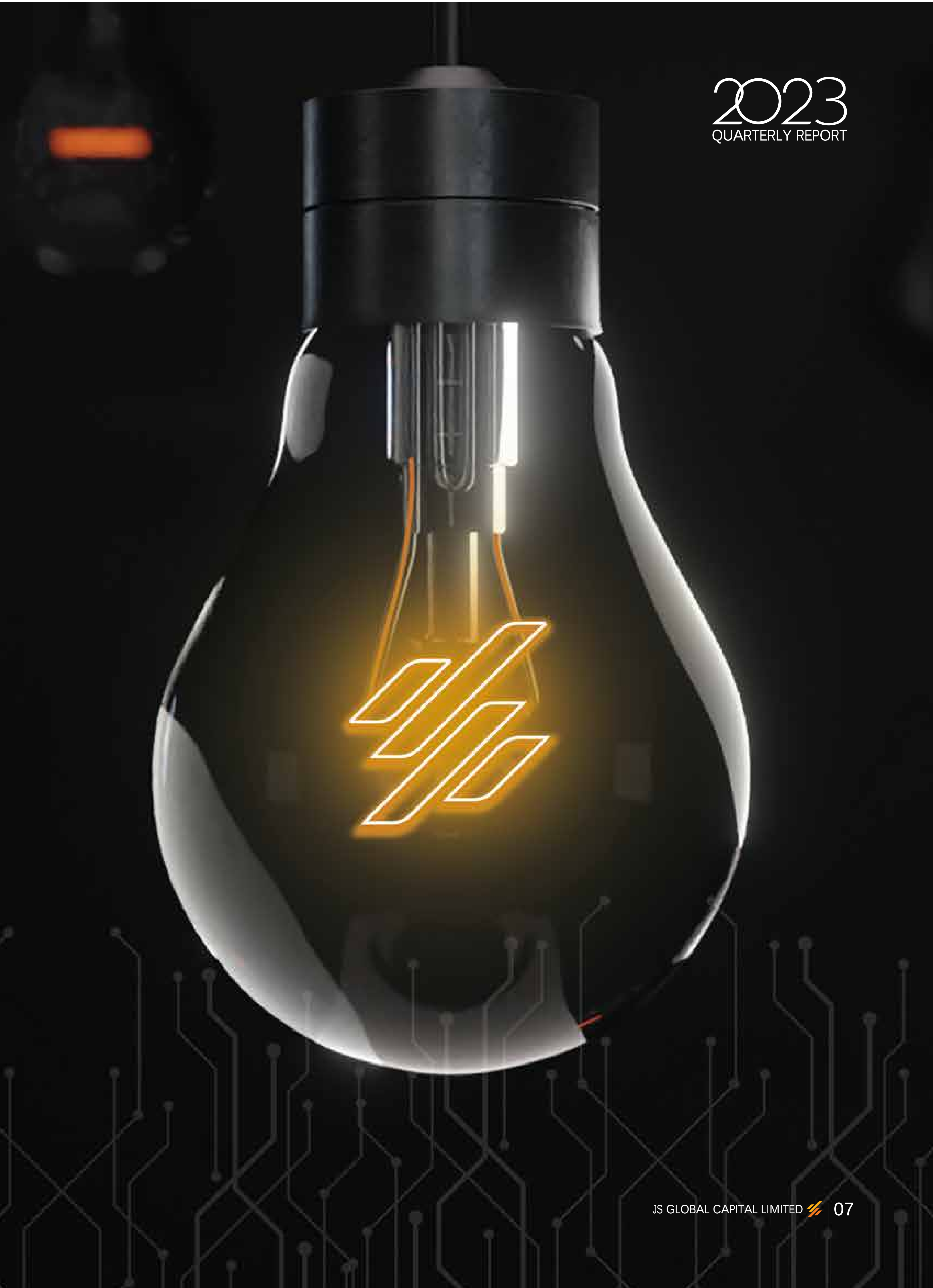
17 & 18th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi-74400, Pakistan
www.JS Global.com | www.jsglobalonline.com UAN: +92-21-111-574-111 | Fax: +92-21-356-325-74

Vision

To be the Leader in the financial services sector

Mission

To ensure growth of various financial services by creating new products and services in financial sector



2023
QUARTERLY REPORT

Directors' Report

We are pleased to present the unaudited condensed interim financial statements of JS Global Capital Limited ("the Company") for the quarter ended March 31, 2023.

The Economy

Macroeconomic challenges that were carried forward from CY22, further worsened during 1QCY23 as economic datasets witnessed record deterioration during the quarter. With Feb-2023 and Mar-2023 headline inflation recording highest growth in the last six decades, 1QCY23 CPI averaged to 31.5%. The higher inflation pace was driven by higher food and energy prices, in addition to hefty gas price increased announced during 1QCY23.

Moreover, the steep PKR/US$ devaluation of 20%, out of which most was transpired in the early part of the quarter, also played a major role in higher inflation. PKR/US$ touched a historical low at 285.1 during 1QCY23, which was later crossed in April to touch 287.8. To tame the ongoing inflation trend, SBP continued with its monetary tightening stance, as it cumulatively took the Policy Rate up by another 400bp to 20%, following another 100bp in April, taking the Policy Rate up to 21%.

On the external front, SBP foreign exchange reserves continued its declining trend in 1QCY23, as it further dipped by US$1.3bn to US$4.2bn, maintaining import cover around 1x. Reserves declined despite support from China in FCY flows and restricted Current Account Deficit over controlled imports. The decline in reserves was attributed to scheduled debt payments made by the central bank during the quarter.

On the fiscal account front, the country's fiscal deficit remained at 2% of GDP during 1HFY23, similar to levels reported during the same period last year. In the aforementioned period, declining economic activity took a toll on tax collection growth, which was reported at 17% YoY in 1HFY23. The growth trend was lower than recent historical growth trend. Non-tax revenues, however, jumped by 26% YoY limiting fiscal deficit expansion. Higher State Bank of Pakistan's profits and Petroleum Levy collection were key factors of increase in Non-tax revenues.

On the other hand, a sharp increase in debt servicing expenditures, given higher interest rates, led to current expenditure expanding by 30% YoY, while PSDP spending remained lower. While higher debt servicing expenditures offset the higher revenue growth, primary balance came in at surplus, clocking in at 1.1% of GDP.

Equity Capital Market

Macroeconomic challenges also took a toll on KSE-100 this quarter, as the benchmark Index declined by 1%, closing at 40,001. The quarter witnessed much volatility owing to macro volatility and delay in the IMF program. Having met all prior conditions during the quarter including higher gas prices and transition to a free-floating exchange rate, the Program now hinges upon formal guarantees for external financing by friendly countries of Pakistan. Uncertainty surrounding the provincial elections and further political noise also played its role in suppressed sentiments.

The same was also reflected with lower investor participation as average daily traded volumes contracted by 21% QoQ. A contrasting trend was, however, witnessed in value trade, which inched up by 2% QoQ.

Foreigners turned net buyers during 1QCY23 with concentrated buying in the Oil & Gas Sector (US$11.6mn). Technology sector on the other hand, unlike previous quarter, witnessed the highest selling during the quarter by the foreigners.

Sector wise performance of the market showed the Fertilizer Sector (+1.6% QoQ) and the Oil & Gas Sector (+0.2% QoQ) among the few gainers while Food (-15% QoQ) and Banking (-3.6% QoQ) Sectors remained key underperformers.

Money market

Given the continuing monetary policy tightening, Money Market remained volatile during 1QCY23. Higher yields attracted participation in variable-rate government securities auctions with healthier participation in shorter tenor papers. Moreover, aggressive activity in Quarterly and Semi-Annual floating rate PIB's was witnessed especially in 2 Years floating rate PIB's trades of heavy volumes was witnessed.

The cut-off yields of Treasury Bills at the end of March-2023 remained high at 21.9995% for 3 M, 21.9901% for 6M and 21.4899% for 1Year tenor.

With that, auction participation in fixed coupon PIB's decreased due to anticipation of higher inflation and further increase in Policy Rate.

On Shariah government securities front, Fixed Rate GOP Ijarah Sukuk's (FRR) auction participants showed interest in 1 Year fixed Rental Rate Ijara SUKUKs, with cut-off yield at 20.70%.

Commodities Market

Global economic slowdown reflected in commodity prices this quarter as well. Gold prices in the international market remained between 1,805 and 2,010 levels during 1QCY23, ending the quarter at 1,969 (+8% QoQ). On the other hand, crude oil prices remained volatile, hitting a high of 82.6 in Jan-23, declining to a low of 64.4 in Mar-23, closing down 6% QoQ.

At PMEX however, investors remained cautious due to ongoing political noise and uncertainty in domestic macroeconomic scenario.

Foreign exchange market

Declining foreign exchange reserves and delays in talks with IMF led to sharp devaluation of PKR/US$ in 1QCY23. Starting at a high of 226.94, the currency touched a low of 285.1, closing down 20% QoQ. Most of the devaluation was witnessed in the earlier part of the quarter where news flows regarding inflows and developments on IMF recommendations supported PKR/US$ to remain relatively range-bound in the remained of the quarter.

Overview of Financial Performance

The Summarized results are set out below:

	Quarter Ended March 31, 2023	Quarter Ended March 31, 2022
Profit before tax	50,249,246	26,375,462
Profit after tax	31,404,601	20,762,707
Earnings per share	1.14	0.76

Monetary impacts of significant P&L items on the Company's bottom-line are highlighted as under:

The Company earned operating revenue amounting to PKR 153 million relative to PKR 98 million in the corresponding period prior year, thus clocking an increase of 55.73%. Equity brokerage is the major component of operating revenue. Similarly, commodities, foreign exchange and fixed income brokerage divisions have shown considerable growth over corresponding period prior year.

The rising interest rates, also contributed to treasury income of the company during the quarter. Administrative and operating expenses increased by 3% compared to the corresponding period, resulting in total administrative and operating expenses of PKR 175 million.

Earnings per share of the Company for the quarter is Rs. 1.14 per share as compared to Rs. 0.76 in the corresponding period prior year.

Looking ahead, the Company is focused on maintaining its growth momentum in the long run. The management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from treasury management, core brokerage and fee-based operations whilst at the same time rationalizing our cost base.

Future Outlook

Pakistan’s GDP is expected to remain under stress in the near short term. The future performance of the stock market is closely tied to the macroeconomic and political stability. Any positive indicators in these areas, market activity is likely to be positively impacted. Additionally, attractive valuations can draw in investors from both local and international markets, which will positively impact the brokerage and advisory business.

The Board is cognizant of the challenges faced by the Country in general and Capital Markets in specific and is continuously evolving its strategic thinking with a view to further drive its market share and find new avenues for growth.

Acknowledgement

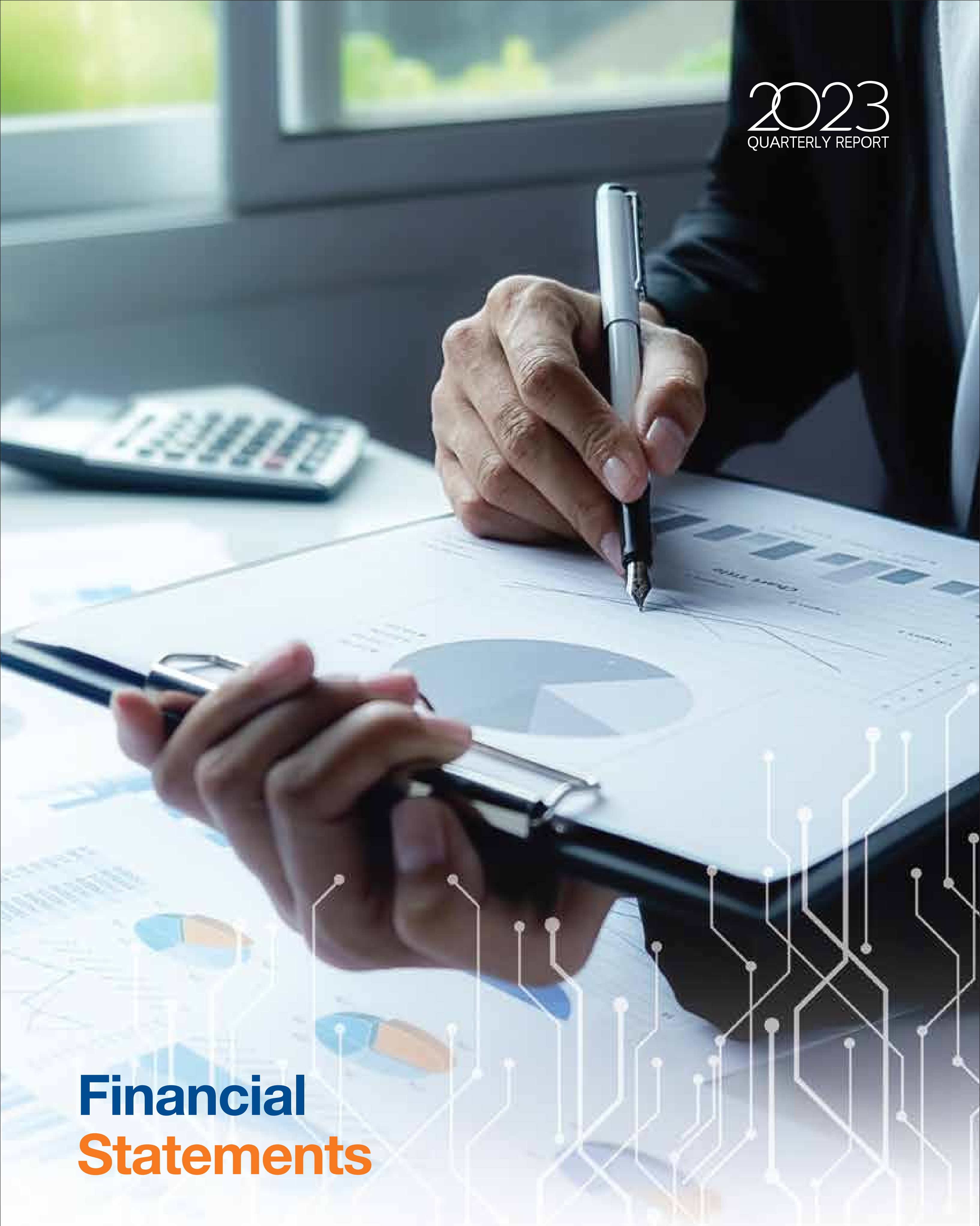
We express our sincere appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence. The Board also takes this opportunity to express its gratitude to all the employees of JS Global Capital Limited for their untiring efforts.

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and the management of Pakistan Stock Exchange Limited for their efforts to strengthen capital markets and their measures to protect investor rights.

For and on behalf of the
Board of Directors

Chief Executive Officer	**Director**

Date: April 19, 2023



Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees)	------------
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2022: 150,000,000) ordinary shares of Rs.10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	274,772,970	274,772,970
Share premium		1,810,104,900	1,810,104,900
(Deficit) / Surplus on re-measurement of equity securities at fair value through other comprehensive income		(1,838,814)	(2,571,815)
Unappropriated profit		209,634,783	178,230,182
		2,292,673,839	2,260,536,237
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	5	236,581,875	315,442,500
Lease liability	6	1,502,128	3,170,104
		238,084,003	318,612,604
Current liabilities			
Current maturity of long-term financing	5	315,442,500	315,442,500
Accrued profit		13,783,479	10,933,269
Unclaimed dividend		3,361,843	3,361,843
Current maturity of lease liability	6	6,837,305	8,271,047
Short term borrowing - secured		-	91,994,547
Creditors, accrued expenses and other liabilities	8	3,279,192,593	2,347,889,402
		3,618,617,720	2,777,892,608
		6,149,375,562	5,357,041,449
Contingencies and Commitments	9		

The annexed notes 1 to 27 form an integral part of these financial statements.

Director | **Chief Executive Officer** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees)	------------
ASSETS			
Non-current assets			
Property and equipment	10	782,935,649	797,556,231
Investment property	11	118,544,614	119,340,261
Intangible assets	12	5,000,000	5,000,000
Long term investments	13	31,689,318	38,420,312
Long term loans, advances and deposits		39,733,286	33,431,090
Deferred taxation - net	14	108,072,004	111,602,125
		1,085,974,871	1,105,350,019
Current assets			
Short term investments	15	528,855,550	575,900,796
Trade debts	16	1,646,561,790	644,435,971
Receivable against margin finance		438,530,975	425,971,947
Loans and advances - considered good		48,238,160	56,783,317
Short-term deposits and prepayments		630,772,783	1,068,037,507
Interest and mark-up accrued	17	39,509,887	32,506,463
Other receivables		24,147,151	41,526
Advance tax		80,681,199	83,088,775
Cash and bank balances	18	1,626,103,196	1,364,925,128
		5,063,400,691	4,251,691,430
		6,149,375,562	5,357,041,449

Director | Chief Executive Officer | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Note	**March 31, 2023 (Un-audited)**	March 31, 2022 (Un-audited)
		------------- **(Rupees)**	------------
Operating revenue	19	**152,984,687**	98,238,763
Capital gain on sale of investments - net		**25,774,064**	23,788,445
Unrealised loss on remeasurement of investments at fair value through profit or loss - net		**(1,047,645)**	37,036,093
Unrealised gain on remeasurement of derivatives at fair value through profit or loss - net		**1,978,656**	(41,174,556)
Dividend income		**11,156,551**	15,090,480
Margin finance income		**28,899,560**	21,724,229
		219,745,873	154,703,454
Administrative and operating expenses		**(174,918,426)**	(169,278,187)
		44,827,447	(14,574,733)
Other operating income - net		**35,725,556**	89,424,424
		80,553,003	74,849,691
Provision for Sindh Workers' Welfare Fund		**(1,025,495)**	(538,275)
Finance cost	20	**(29,278,262)**	(47,935,954)
Profit before taxation		**50,249,246**	26,375,462
Taxation - current		**(15,888,820)**	(4,632,127)
- prior		**-**	-
- deferred		**(2,955,825)**	(980,628)
	21	**(18,844,645)**	(5,612,755)
Profit after taxation		**31,404,601**	20,762,707
Earnings per share - basic and diluted	22	**1.14**	0.76

The annexed notes 1 to 27 form an integral part of these financial statements.

Director | **Chief Executive Officer** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	------------- (Rupees) ------------	
Profit for the period	**31,404,601**	20,762,707
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss subsequently	**-**	-
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - equity securities	**726,974**	(4,762,412)
Less: Related tax	**(29,700)**	100,800
	697,274	(4,661,612)
Items that may be reclassified to statement of profit or loss subsequently		
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - debt securities	**42,032**	(340,404)
Less: Related tax	**(6,305)**	51,061
	35,727	(289,343)
Total comprehensive income / (loss) for the period	**32,137,602**	15,811,752

The annexed notes 1 to 27 form an integral part of these financial statements.

Director | **Chief Executive Officer** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up share capital	Reserves				Total
		Share premium	Surplus on re-measurement of equity securities at fair value through other comprehensive income	Revenue reserve Unappropriated profit	Sub-total	
	---------- (Rupees) ----------					
Balance as at January 01, 2022	274,772,970	1,810,104,900	9,388,710	102,108,918	1,921,602,528	2,196,375,498
Total comprehensive income for the period						
Profit for the three months ended March 31, 2022	-	-	-	20,762,707	20,762,707	20,762,707
Other comprehensive loss - net of tax	-	-	(4,950,955)	-	(4,950,955)	(4,950,955)
Total comprehensive income for the period	-	-	(4,950,955)	20,762,707	15,811,752	15,811,752
Balance as at March 31, 2022	274,772,970	1,810,104,900	4,437,755	122,871,625	1,937,414,280	2,212,187,250
Total comprehensive income for the period						
Profit for the nine months ended December 31, 2022	-	-	-	55,358,557	55,358,557	55,358,557
Other comprehensive loss - net of tax	-	-	(7,009,570)	-	(7,009,570)	(7,009,570)
Total comprehensive income for the period	-	-	(7,009,570)	55,358,557	48,348,987	48,348,987
Balance as at December 31, 2022	274,772,970	1,810,104,900	(2,571,815)	178,230,182	1,985,763,267	2,260,536,237
Total comprehensive income for the period						
Profit for the three months ended March 31, 2023	-	-	-	31,404,601	31,404,601	31,404,601
Other comprehensive loss - net of tax	-	-	733,001	-	733,001	733,001
Total comprehensive income for the period	-	-	733,001	31,404,601	32,137,602	32,137,602
Balance as at March 31, 2023	274,772,970	1,810,104,900	(1,838,814)	209,634,783	2,017,900,869	2,292,673,839

The annexed notes 1 to 27 form an integral part of these financial statements.

Director **Chief Executive Officer** **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
		------------ (Rupees) -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		50,249,246	26,375,462
Adjustments for:			
Depreciation of operating assets expense	11.1	13,773,834	16,439,722
Depreciation of right-of-use assets	11.2	223,389	513,003
Depreciation of investment property	12	795,647	795,648
Amortisation of intangible assets	13.2	-	-
Gain on sale of property and equipment	11.1.1	-	21,236,226
Unrealised loss on remeasurement of investments at fair value through profit or loss - net		1,047,645	(37,036,093)
Unrealised gain on remeasurement of derivatives at fair value through profit or loss - net		(1,978,656)	41,174,556
Provision for Sindh Workers' Welfare Fund		1,025,495	538,275
Finance cost	20	29,278,262	47,935,954
		44,165,616	91,597,291
Cash generated from operating activities before working capital changes		94,414,862	117,972,753
Decrease in current assets			
Trade debts		(1,002,125,819)	1,114,384,378
Receivable against margin finance		(12,559,028)	14,855,158
Loans and advances		8,545,157	2,307,761
Short-term deposits and prepayments		437,264,724	553,932,847
Interest and mark-up accrued		(7,003,424)	(6,232,068)
Other receivables		(24,105,625)	18,179,771
		(599,984,016)	1,697,427,847
Decrease in current liabilities			
Creditors, accrued expenses and other liabilities		757,286,034	(701,370,702)
Cash generated from operations		251,716,880	1,114,029,898
Finance cost paid		(25,749,651)	(47,422,951)
Taxes paid		(13,481,244)	(9,995,138)
Net cash generated from operating activities		212,485,986	1,056,611,809
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	11.1	(1,308,197)	(9,181,711)
Long term loans, advances and deposits		(6,302,196)	(6,939,009)
Long term investments - net		11,734,566	(5,589,878)
Short term investments - net		47,976,257	420,914,352
Net cash generated from / (used in) investing activities		52,100,430	399,203,754
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid / adjustment		-	(137,386,485)
Lease rentals paid		(3,408,348)	(2,875,973)
Net cash used in financing activities		(3,408,348)	(140,262,458)
Increase in cash and cash equivalents during the period		261,178,069	1,315,553,105
Cash and cash equivalents at the beginning of the period		1,364,925,128	1,286,868,762
Cash and cash equivalents at the end of the period	18	1,626,103,197	2,602,421,867

The annexed notes 1 to 27 form an integral part of these financial statements.

Director **Chief Executive Officer** **Chief Financial Officer**

1. STATUS AND NATURE OF BUSINESS

1.1 JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company, Jahangir Siddiqui & Co. Ltd. (JSCL), offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 2005. During 2006-07, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

1.2 During the year 2012, JS Bank Limited (the Parent Company), a subsidiary of JSCL, acquired 25,525,169 shares of the Company from JSCL and other shareholders against issuance of 185,321,537 shares in lieu thereof. As a result, the principal ownership of the Company was transferred to the Parent Company. Presently, the Company is subsidiary of JS Bank Limited, which is a subsidiary of JSCL, the ultimate parent of the Company.

1.3 During the year 2019, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 7,450,000 shares through tender offer for the purpose of cancellation. The payment for accepted shares was made on October 01, 2019. The unaccepted shares were subsequently returned to unsuccessful shareholders and accepted shares were subsequently cancelled on October 02, 2019.

1.4 During the year, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 3,991,525 shares through tender offer out of which 3,079,703 shares were purchased for the purpose of cancellation. The payment for accepted shares was made on June 04, 2021. The accepted shares were subsequently cancelled on June, 10 2021.

1.5 The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is located at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The Company has eight branches (December 31, 2022: eight) in seven cities of Pakistan.

1.6		Branch Name	Address
	1	Stock Exchange Branch	Room No. 634, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi
	2	Gulshan-e-Iqbal Branch	Suite No. 607-A, 6th Floor, Al Ameen Towers, Plot No E-2, Block 10, Gulshan-e- Iqbal, Main NIPA, Karachi
	3	Hyderabad Branch	Address: Shop No. 20, Ground Floor, Auto Bhan Towers, Road, Unit No. 3, Latifabad, Hyderabad
	4	Islamabad Branch	Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue , Islamabad
	5	Faislabad Branch	Office no G-04, Ground Floor, Mezan Executive Tower Plot No 4, Liaquat Road, Faisalabad
	6	Lahore Branch	Plot No. 434-G/1,MA Johar Town, Lahore
	7	Multan Branch	Office No. 608-A, Sixth Floor, The United Mall, Plot No. 74, Abdali Road, Multan
	8	Peshawar Branch	First Floor, State life Building No. 34, The Mall Road, Peshawar Cantt, Peshawar

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim 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 Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act, have been followed.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value. Further, lease liability and related Right-of-use Assets which are initially measured at present value of lease payments that were unpaid at lease commencement date.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupee, which is also the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

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

The estimates and as other comprehensive income at assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are apparent from other sources. Actual results may differ from these estimates.

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

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

Valuation of investments (notes 3.4, 14 and 17);
Residual values and useful life of investment property (notes 3.15 and 12);
Useful lives of intangible assets (notes 3.3 and 13);
Right of use assets and lease liability (3.14).

2.5 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2023:

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

requiring companies to disclose their material accounting policies rather than their significant accounting policies;

clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Employee Benefits

Defined contribution plan

The Company operates a defined contribution plan. i.e. recognised provident fund scheme for all its eligible employees in accordance with the trust deed and rules made thereunder. Equal monthly contributions at the rate of 7.33% of basic salary are made to the fund by the Company and the employees.

3.2 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on straight line basis over the estimated useful lives of the assets. Depreciation on additions is charged from the month in which they are available for use and on deletions up to the month of deletion.

Category of Operating Assets	Useful life
Office equipment - computer related items	03 years
Office equipment - others	04 years
Office furniture	10 years
Leasehold improvements	10 years
Building	40 years
Motor vehicles	05 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits as associated with the item will flow to the Company and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognised. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred

The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each reporting date. Capital work-in-progress is stated at cost less impairment loss, if any.

Gains and losses on disposal of assets, if any, are taken to statement of profit or loss.

3.3 Intangible assets

Intangible assets having finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method taking into account residual value, if any, at the rates specified in note 13 to these financial statements. Amortisation is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is derecognised

3.4 Financial instruments

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss' whereby trasaction costs are not capitalised.

3.4.1 Financial assets

The financial assets are subsequently measured at fair value through profit or loss, amortised cost or fair value through other comprehensive income on the basis of both:

- The entity's business model for managing the financial assets; and

- The contractual cash flow characteristics of the financial asset.

Financial assets measured at fair value through other comprehensive income

a) Debt instruments at fair value through other comprehensive income

Debt Instrument at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at fair value through other comprehensive income do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment amount, with a corresponding charge to statement of profit or loss. The accumulated loss recognised in other comprehensive income is recycled to the statement of profit or loss upon de-recognition of the assets.

b) Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at fair value through other comprehensive income when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as fair value through other comprehensive income when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to an impairment assessment.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; and

or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3.4.2 Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an as other comprehensive income liability. The transferred asset and the as other comprehensive income liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The ECL allowance on financial assets (other than trade debts, receivable against margin finance, loans and advances and other receivables) is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. In order to determine appropriate staging for financial assets (other than trade debts, receivable against margin financing, loans and advances and other receivables) under IFRS 9, the Company applies the Low Credit Risk (LCR) expedient. The Company considers only those balances as LCR that have investment grade rating from an External Rating Agency (BBB- or equivalent or higher) at the reporting date. The LCR balances are considered as stage 1. The Company considers a financial instrument defaulted and therefore, Stage 3 (credit-impaired) for ECL calculations in all cases when there is an objective evidence of impairment of financial assets and Company believes that the counter party will not be able to make its contractual payments. All other balances are considered as stage 2 as at reporting date. For measurement of ECL, PD, EAD and LGD are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective interest rate or an approximation thereof. Forward looking economic information is also included in determining the 12 month and lifetime ECL and economic variables (the "base economic scenario") are obtained from external sources. For ECL estimation, the PDs as other comprehensive income with each rating grade are determined based on realized default rates as published by the rating agency.

The Company holds trade debts, receivable against margin finance and other receivables which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade debts, receivable against margin finance, loans and advances and other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates

Offsetting of financial assets and financial liabilities

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

3.5 Revenue recognition

Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc. are recognised as and when such services are provided.

Income from reverse repurchase transactions, debt securities and bank deposits is recognised at effective yield on time proportionate basis.

Interest income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.

Dividend income is recorded when the right to receive the dividend is established.

Gains / losses arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise

Gains / losses arising on revaluation of derivatives to fair value are taken to statement of profit or loss under other income / other expense in the period in which they arise.

3.6 Taxation

Income tax expense comprises 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 recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under minimum / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they arise, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the statement of profit or loss.

3.7 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks.

3.8 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax asset and intangible assets with indefinite useful life is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in statement of profit or loss immediately. 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.

3.9 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are taken to statement of profit or loss.

3.10 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss directly

3.11 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.12 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of ordinary shares outstanding during the period.

3.13 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.14 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of one to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of Company's branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on operations if a replacement is not readily available.

3.15 Investment property

Investment property is stated at cost less accumulated depreciation and impairment, if any. Depreciation on investment property is charged on straight line method at 2.5% per annum. Depreciation on additions is charged from the month of addition and incase of deletion up to the month of disposal. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred while major repairs and renewals are capitalised. Any gains or losses on disposal of an investment property are recognised in the profit and loss account in the year of disposal. The carrying values of investment properties are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount.

3.16 Government Grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy.

The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.17 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The operating segments of the Company are as follows:

Brokerage

The brokerage activities include services provided in respect of share brokerage, money market brokerage, forex brokerage, commodity brokerage and share subscription commission.

Investment and treasury

It consists of capital market, money market investment and treasury functions. The activities include profit / mark-up on bank deposit, term deposit receipts, capital gains on equity and debt securities, mark-up income on margin financing and term finance certificates and profit on sukuks and dividend income.

Other operations

It consists of advisory and consultancy function.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

March 31, 2023 (Un-audited)	December 31, 2022 (Audited)		March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
(Number of shares)			------------- (Rupees) -------------	
20,009,700	20,009,700	Ordinary shares of Rs.10 each fully paid in cash	**200,097,000**	200,097,000
29,990,300	29,990,300	Ordinary shares of Rs.10 each issued as bonus shares	**299,903,000**	299,903,000
(11,993,000)	(11,993,000)	First buy back of 11,993,000 shares having face value of Rs.10 each	**(119,930,000)**	(119,930,000)
(7,450,000)	(7,450,000)	Second buy back of 7,450,000 shares having face value of Rs.10 each	**(74,500,000)**	(74,500,000)
(3,079,703)	(3,079,703)	Third buy back of 3,079,703 shares having face value of Rs.10 each	**(30,797,030)**	(30,797,030)
27,477,297	27,477,297		**274,772,970**	274,772,970

4.1 The Parent company held 25,525,169 (December 31, 2022): 25,525,169) ordinary shares of Rs.10 each at period end.

4.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective.

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
5. LONG-TERM FINANCING - secured			
Islamic			
Long-term Loan	5.1 & 5.2	**552,024,375**	630,885,000
Short-term maturity		**(315,442,500)**	(315,442,500)
Long-term maturity		**236,581,875**	315,442,500
Current maturity of long term loan		**315,442,500**	315,442,500

5.1 Long term finance utilised mark-up arrangments

	Number of instalments and commencmemnt date	Date of maturity	Rate of mark-up per annum	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
				------------ (Rupees)	------------
Islamic					
i) **BankIslami Pakistan Limited - Related Party**					
Diminishing Musharika	12 quarterly instalments 31 January 2023	21.Nov.24	3 months Kibor+1.5%	**289,524,375**	330,885,000
ii) **Dubai Islamic Bank - Pakistan Limited**					
Diminishing Musharika	12 quarterly instalments 31 January 2023	21.Nov.24	3 months Kibor+1.5%	**262,500,000**	300,000,000
				552,024,375	630,885,000

5.2 This represents Diminishing Musharakah term finance facility, aggregating to Rs. 552.024 (December 31, 2022: Rs. 630.885) million. This facility is secured against charge over the property (16th and 17th floor of building).

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	------------- (Rupees)	-------------
6. Lease Liability		
As at January 01	**11,441,151**	16,876,402
Interest expense	**223,389**	1,896,646
Disposal	**-**	-
Addition	**-**	4,112,901
Payment of rentals	**(3,325,107)**	(11,444,798)
As at December 31	**8,339,433**	11,441,151
Less: Current maturity	**(6,837,305)**	(8,271,047)
	1,502,128	3,170,104

		March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	

7. DEFFERED LIABILITY

Government Grant

	March 31, 2023	December 31, 2022
Opening balance	-	1,897,534
Received during the year	-	-
Released to the statement of profit or loss	-	(1,897,534)
Closing balance	-	-

8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	March 31, 2023	December 31, 2022
Trade creditors	8.1	2,916,756,279	1,974,183,576
Accrued expenses		56,599,520	63,921,413
Staff Provident Fund	8.2	2,926,948	2,693,030
Provision for staff bonus	8.3	11,897,751	27,125,376
Provision for Sindh Workers' Welfare Fund		49,495,689	48,470,194
Others		241,516,406	231,495,813
		3,279,192,593	2,347,889,402

8.1 This includes payable to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.166 (December 31, 2022: Rs.0.261) million and Rs.1,118.9 (December 31, 2022: Rs.88.736) million respectively in respect of trading in securities, settled subsequent to the period end.

8.2 Investments out of Provident fund have been made in compliance with the Provisions of section 218 of the Act and the rules formulated for this purpose.million payable to related parties.

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	------------- (Rupees) -------------	
8.3 Movement in provision for staff bonus is as follows:		
Balance at the beginning of period / year	27,125,376	88,763,376
Paid during the period / year	(21,227,625)	(71,638,000)
Charged during the period / year	6,000,000	10,000,000
Balance at the end of period / year	11,897,751	27,125,376

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no outstanding contingencies as at March 31, 2023 (December 31, 2022: Nil) other than tax contingencies disclosed in note 21 of these condensed interim financial statements.

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees)	-------------
9.2 Commitments			
Future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		378,994,440	567,163,001
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 25, 2023		400,000,000	400,000,000
10. PROPERTY AND EQUIPMENT			
Operating assets	10.1	776,626,347	789,091,984
Right-of-use assets	10.2	6,309,302	8,464,247
		782,935,649	797,556,231
10.1 Movement in operating assets - owned			
Book value at beginning of the year		789,091,984	844,801,235
Cost of additions during the period / year	10.1.1	1,308,197	13,244,885
Book value of deletions during the period / year	10.1.2	-	(3,657,515)
Depreciation charge for the period / year		(13,773,834)	(65,296,621)
Book value at end of the period / year		776,626,347	789,091,984
10.1.1 Details of additions during the period / year			
Office equipment		1,308,197	13,244,885
Building on leasehold land		-	-
Leasehold improvements		-	-
Office furniture		-	-
		1,308,197	13,244,885
10.1.2 Book value of deletions during the period / year:			
Office equipment		-	(24,288)
Motor vehicle		-	(3,633,227)
		-	(3,657,515)
10.2 Right-of-use assets			
Head office and branches		6,309,302	8,464,247
11. INVESTMENT PROPERTY			
Opening balance	11.1 & 11.2	127,303,650	127,303,650
Accumulated Depreciation		(8,759,036)	(7,963,389)
Closing balance		118,544,614	119,340,261

11.1 The Company has vis-à-vis rented out a portion of the property to JS Investments Limited, a related party, under a rental arrangement.

11.2 Investment property comprises of 5,805 square feet of 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan, the latest fair value of which has been determined on the basis of valuation carried out by an independent professional valuer as of December 31, 2022 which amounts to Rs. 226.395 (2021: 145.125) million.

12. INTANGIBLE ASSETS

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	12.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		5,000,000	5,000,000
Softwares		-	-
		5,000,000	5,000,000

12.1 This represents TREC received from PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. The Company has also received shares of PSX after completion of the demutualization process.

13. LONG TERM INVESTMENTS

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
Classified as 'at fair value through Other Comprehensive Income'			
Shares of PSX - at cost (2022: 2,202,953 shares)		23,060,884	23,060,884
Term finance / sukuk certificates	13.1	14,630,000	24,796,667
		37,690,884	47,857,551
(Deficit) / Surplus on revaluation - net		(3,501,566)	(4,270,572)
Less:Current maturity of long term investments - secured		(2,500,000)	(5,166,667)
		31,689,318	38,420,312

13.1 Term finance / sukuk certificates

Number of Certificates		Name of term finance / sukuks certificates		Carrying value	
March 31, 2023 (Un-audited)	December 31, 2022 (Audited)			March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		Listed debt securities - secured	13.1.1	----------- (Rupees) ----------	
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party		2,500,000	5,000,000
		Cinergyco PK Ltd. (Formerly: BYCO Petroleum Pakistan Ltd.)		-	-
-	20	Sukuk		-	166,667
2,426	3,926	Bank Islami Pakistan Limited - Ehad Sukuk	13.1.3	12,130,000	19,630,000
				14,630,000	24,796,667
		Less:Current maturity of long term investments - secured		(2,500,000)	(5,166,667)
				12,130,000	19,630,000

13.1.1 Significant terms and conditions of term finance certificates outstanding at the year end are as follows:

Name of security	Face Value Per Certificates (Rupees)	Unredeemed face value Per Certificates (Rupees)	Mark-up rate (per annum)	Maturity	Rating
Listed debt securities - secured (note 14.1.2)					
Jahangir Siddiqui & Co. - Limited term finance certificate XI - related party	5,000	833	6 months KIBOR +1.40%	Sep 06, 2023	AA+
Listed Debt Security - Unsecured					
Bank Islami - related party Pakistan Limited Ehad Sukuk	5,000	5,000	3 months KIBOR +2.75%	Perpetual	A-

13.1.2 These term finance certificates and sukuks held by the Company are secured against either marketable securities of the issuer or a charge on the shares of the issuer's core investments inclusive of 50% margin or a ranking charge over present and future fixed assets of the issuer with a 25% margin. The maximum aggregate amount of term finance certificates and sukuk loans due from related party at the end of any month during the year was Rs.2.5 million (2022: Rs.7.5) million.

13.1.3 This is measured at its initial purchase price as the market value is not available.

13.2 Movement of surplus on revaluation of investments classified as at fair value through Other Comprehensive Income is as follows:

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	------------- (Rupees) -------------	
Balance at the beginning of the year	(4,270,572)	8,196,738
Surplus / (deficit) on re-measurement of investments during the year	769,006	(12,467,310)
Balance at the end of the year	(3,501,566)	(4,270,572)

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
14. DEFFERED TAXATION - NET			
Taxable temporary difference			
Difference in accounting and tax base of			
- intangible assets		-	-
- operating assets and investment property		(15,016,398)	(12,116,398)
Government grant		-	-
		(15,016,398)	(12,116,398)
Deductible temporary differences			
Lease liability			
lease - net		578,840	861,362
Revaluation of investments		(144,382)	203,217
Allowance for expected credit losses		122,653,944	122,653,944
		123,088,402	123,718,523
		108,072,004	111,602,125
15. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities		519,849,110	564,313,980
Exchange Traded Fund		6,506,440	6,420,150
		526,355,550	570,734,130
At fair value through other comprehensive income			
Privately placed term finance certificates - unsecured		-	-
Current maturity of long term investments - secured		2,500,000	5,166,667
		528,855,550	575,900,796

15.1 Privately Placed Term Finance Certificates - Unsecured

Number of certificates	Mark-up rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)	15.1.1	October 19, 2020	326,456,184
		Provision for impairment			(326,456,184)
					-
		December 31, 2022 (Audited)			-

15.1.1 Considering the financial position of the issuer, the Company has fully provided outstanding amount of the PPTFCs and records mark-up / interest on receipt basis.

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	

16. TRADE DEBTS

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
Purchase of shares on behalf of clients		1,550,565,628	519,056,837
Advisory services		2,719,066	1,774,940
Forex and fixed income commission		5,481,665	10,364,759
Commodity		87,795,431	113,239,435
		1,646,561,790	644,435,971
Considered doubtful		409,285,717	409,285,717
		2,055,847,507	1,053,721,688
Provision for doubtful debts		(409,285,717)	(409,285,717)
	16.1	1,646,561,790	644,435,971

16.1 Included herein is a sum of Rs.3.079 (December 31, 2022: Rs. 4.716) million receivable from related parties.

17. INTEREST AND MARK-UP ACCRUED

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
Accrued mark-up on margin finance		35,403,174	31,393,693
Accrued mark-up on term finance / sukuk certificates		871,393	711,928
Interest receivable on bank deposits		3,235,320	400,842
		39,509,887	32,506,463

18. CASH AND BANK BALANCES

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
Cash with banks:			
- Current accounts		609,129,803	9,069,472
-Deposit accounts	18.1	1,016,749,393	1,355,631,656
		1,625,879,196	1,364,701,128
Cash in hand:		224,000	224,000
	18.2	1,626,103,196	1,364,925,128

18.1 These carry interest at the rates ranging from 2.75% to 17.65% (December 31, 2022: 2.75% to 14.5%) per annum.

18.2 These include balances with the Parent Company amounting to Rs.1,214.665 (December 31, 2022: Rs.1,334.985) million.

18.3 Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		------------- (Rupees) -------------	
Customers' assets held in the designated bank accounts		**1,275,255,200**	1,580,698,446
Customers' assets held in the CDC		**31,973,428,511**	34,240,753,023
Securities pledged with financial institutions		**12,603,643,091**	12,947,575,235

	Note	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
		------------- (Rupees) -------------	

19. OPERATING REVENUE

Brokerage and operating income		**148,512,652**	95,703,697
Advisory and consultancy fee		**4,472,035**	2,535,066
		152,984,687	98,238,763

20. FINANCE COST

Mark-up on long-term loans		**27,349,863**	17,485,253
Mark-up on commercial paper		**-**	27,984,365
Commission charges on bank guarantee	20.1	**1,249,998**	1,118,405
Bank and other charges		**455,012**	103,718
Interest expense on SBP Re-Finance Scheme for Salaries and Wages		**-**	731,210
Interest expense on assets subject to finance lease		**223,389**	513,003
		29,278,262	47,935,954

20.1 During the year, the Company obtained bank guarantee from a different financial institutions, to meet exposure requirements, amounting to Rs.400 (2022: Rs.400) million. It was priced at 1.25% per annum and will be expiring on May 25, 2023.

21. TAXATION

21.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2022.

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	------------- (Rupees) -------------	

22. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	**31,404,601**	20,762,707
	------------ (Number) ------------	
Weighted average number of shares	**27,477,297**	27,477,297
	------------- (Rupees) ------------	
Earnings per share - basic and diluted	**1.14**	0.76

23. RELATED PARTY TRANSACTIONS

23.1 Related parties comprise of parent company, major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

Details of transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	March 31, 2023 2023 (Un-audited)		December 31, 2022 2022 (Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	--------------------------------- (Rupees)		---------------------------------	
Trade debts				
Opening balance	**72,922**	**1,088,415**	14,206	3,627,068
Invoiced during the year	**1,063,619**	**234,225,483**	632,425	4,523,682
Received during the year	**(761,356)**	**(232,610,011)**	(573,709)	(7,062,335)
Closing balance	**375,185**	**2,703,887**	72,922	1,088,415
Trade payable				
Opening balance	**12,285,027**	**175,894,970**	130,336,990	254,963,606
Invoiced during the year	**8,173,046**	**174,481,966**	89,889,167	1,038,941,337
Paid during the year	**(7,074,493)**	**(325,069,941)**	(207,941,131)	(1,118,009,973)
Closing balance	**13,383,580**	**25,306,995**	12,285,027	175,894,970
Loans and advances				
Opening balance	**13,570,369**	**-**	12,926,331	-
Disbursements during the year	**9,158,520**	**-**	7,819,471	-
Repayments during the year	**(2,140,020)**	**-**	(7,175,433)	-
Closing balance	**20,588,869**	**-**	13,570,369	-

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	------------- (Rupees) -------------	
Balances with Parent Company		
Trade debts	209,786	3,555,021
Trade Payable	204,491	-
Bank balances with parent company	1,214,665,562	1,334,985,189
Other payable	-	6,960
Balances with ultimate Parent Company		
Trade debts	-	-
Trade Payable	1,514,125	138,089,575
Other receivables	-	284,852
Mark-up receivable on term finance certificates	245,268	276,930
Principal outstanding on term finance certificates	2,500,000	5,000,000
Balances with associated entities of group companies		
Other receivables	-	61,628
Mark-up payable on commercial paper	-	8,601,772
Mark-up payable on long term financing	6,173,136	6,119,922
Principal outstanding on term finance certificates	12,130,000	19,626,000
Donation payable	1,224,710	1,224,710
Long term financing received	-	330,885,000

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	------------- (Rupees) -------------	
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	4,717,963	7,612,209
Rent received	3,548,166	3,225,606
Transactions with the Parent Company		
Nature of transactions		
Brokerage income	331,168	713,441
Bank charges	88,539	68,122
Mark-up on deposit accounts	23,269,078	52,434,177
Dividend Paid	-	255,264,089
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	201,356	3,450,853
Reimbursement of expenses by the ultimate parent company	43,457,364	127,033,542
Reimbursement of expenses to the ultimate parent company	43,447,349	18,452,623
Rent Paid during the year to the ultimate parent company	798,600	1,452,000
Mark-up received on term finance certificates	431,425	443,326
Principal received on term finance certificates	2,500,000	2,500,000

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	------------- (Rupees) -------------	
Transactions with key management personnel of the Company and its Parent Company		
Nature of transactions		
Brokerage income	62,605	180,142
Directors' remuneration	2,175,000	425,000
Remuneration paid to Chief Executive Officer	5,451,251	24,661,209
Remuneration paid to key management personnel	62,204,818	94,368,314
Transactions with other related parties		
Nature of transactions		
Royalty expense	5,000,001	5,000,000
Insurance expense	2,048,241	23,690,886
Purchase of term finance certificates	50,456,440	50,660,709
Sale of term finance certificates	50,456,440	153,560,440
Sale of sukuk certificates	838,197,020	422,795,899
Mark-up on sukuk certificates	373,251	495,432
Capital gain on sale of sukuk certificates	9,390,000	2,929,100
Contributions to staff provident fund	4,393,051	4,602,952

24. OPERATING SEGMENTS

	March 31, 2023 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	------------------------------ (Rupees) ------------------------------			
Segment revenues	148,512,652	86,095,212	20,863,564	255,471,428
Administrative and operating expenses	(83,552,670)	(2,103,474)	(74,694,580)	(160,350,724)
Depreciation	(5,177,158)	(117,296)	(9,273,248)	(14,567,702)
Finance cost	-	(29,278,262)	-	(29,278,262)
	59,782,824	54,596,180	(63,104,264)	51,274,740
Gain on termination of lease				-
Provision for Sindh Workers' Welfare Fund				(1,025,495)
Taxation				(18,844,645)
Profit after tax				31,404,601
Segment assets	3,772,464,763	844,557,028	1,532,353,771	6,149,375,562
Segment liabilities	3,085,976,459	587,702,560	183,022,704	3,856,701,723

There were no major customer of the Company which derived 10 percent or more of the Company’s revenue. All non-current assets of the Company as at March 31, 2023 and December 31, 2022 are located and operating in Pakistan.

	March 31, 2022 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	191,132,284	35,875,760	1,502,956	228,511,000
Loss on remeasurement of investments	-	(4,138,463)	-	(4,138,463)
Administrative and operating expenses	(93,706,723)	(21,547,135)	(36,537,763)	(151,791,621)
Depreciation	(10,214,332)	(786,429)	(6,485,805)	(17,486,566)
Amortisation of intangible assets	-	-	-	-
Finance cost	-	(47,935,954)	-	(47,935,954)
	87,211,229	(38,532,221)	(41,520,612)	7,158,396
Gain on sale of property and equipment				-
Gain on termination of lease				19,755,341
Provision for Sindh Workers' Welfare Fund				(538,275)
Taxation				(5,612,755)
Profit after tax				20,762,707
Segment assets	3,356,098,415	1,725,233,496	759,051,391	5,840,383,302
Segment liabilities	2,638,028,062	-	990,167,990	3,628,196,052

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2023 (Un-audited)			
Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
Quoted equity securities	**519,849,110**	**-**	**-**	**519,849,110**
Exchange Traded Fund	**6,506,440**	**-**	**-**	**6,506,440**
	526,355,550	**-**	**-**	**526,355,550**
Fair value through other comprehensive income				
Quoted securities	**31,689,318**	**-**	**-**	**31,689,318**
	31,689,318	**-**	**-**	**31,689,318**

	December 31, 2022 (Audited)			
Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
Quoted equity securities	1,386,669,860	-	-	1,386,669,860
Exchange Traded Fund	5,839,148	-	-	5,839,148
	1,392,509,008	-	-	1,392,509,008
Fair value through other comprehensive income				
Quoted securities	62,337,622	-	-	62,337,622
	62,337,622	-	-	62,337,622

26. DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015

At present, the Company employs six members in its research department (including head of research, two senior analysts, a technical analyst, a librarian and a data administrator). All members report to Head of Research who in turn reports to CEO.

Compensation structure of research analysts is flat and is subject to qualification, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents / outcome of research report.

During the period ended March 31, 2023, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.4.052 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

27. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on April 19th, 2023.

Director	Chief Executive Officer	Chief Financial Officer

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