

INDEPENDENT AUDITORS' REPORT

To the members of APEX Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. APEX Securities (Private) Limited** (the Company), which comprise the statement of financial position as at **June 30, 2021**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 20.1 to the financial statements which fully discloses the matter of a financial fraud committed by an ex-employee of the Company and response of the Company thereon.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: **27 SEP 2021**

September 27, 2021

The Board of Directors
Apex Capital Securities (Private) Limited
Office N0-439 and 440, Fourth Floor,
PSX Building,
Karachi

Dear Sirs,

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

We have completed our fieldwork for the audit of the financial statements of **M/s. Apex Capital Securities (Private) Limited** ('the Company') for the year ended **June 30, 2021** as prepared by its management, and are pleased to enclose copies thereof along with our draft audit report thereon, which we have initialed for identification purposes only.

We shall be pleased to sign our report, in its present or amended form, after the captioned financial statements have been approved by the Board of Directors ('the Board') of the Company and signed, on their behalf, by Chief Executive Officer and one of the Director authorized to do so, and after we have been provided with the following:

- (a) The **captioned financial statements** duly approved by the Board and signed by the Chief Executive Officer and one of the Directors, as aforesaid;
- (b) A certified true copy, or certified true extract, of **minutes of the meeting of the Board** wherein the following resolutions have been passed:
 - (i) A general resolution:
 - approving the captioned financial statements; and
 - authorizing the Chief Executive Officer and one of the Directors to sign the captioned financial statements on behalf of the Board.
 - (ii) Specific resolution(s) for the approval of the following account balances as at June 30, 2021, or the transactions or events for the year then ended:

Particulars	Financial statement reference	Amount (Rupees)
Short term investments	Note 13	69,455,366
Capital gain on sale of investments-net	-	5,646,484
Unrealized gain on re measurement of investments at fair value through profit or loss	-	25,865,649
Other Expenses	Note 20	6,820,046
Advances, deposit and bother receivables	Note 15	28,135,521
Contingency and commitment	Note 9	-
Provision for taxation-current	Note 22	1,034,708
Remuneration to Chief Executive, directors and executives	Note 24	

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- (c) A **letter of management representations** addressed to our Firm and duly signed by the Chief Executive Officer and Chief Financial Officer; and

Notes:

- (1) A draft of the aforesaid representation letter shall be issued to you shortly.
- (2) The signed letter should bear the same date as the date of approval of the captioned financial statements.
- (d) A signed and **stamped** copy of the final version of the **trial balance of the Company as at June 30, 2021** (duly incorporating all the identified audit adjustments that have been incorporated in the captioned financial statements), and
- (e) We have **received** confirmations as listed in **Annexure 'A'** to this letter.

1. RESPONSIBILITIES OF THE AUDITORS AND THE BOARD OF DIRECTORS OF THE COMPANY IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in the International Standard on Auditing 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of financial statements is primarily that of the Company. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

2. OTHER SIGNIFICANT MATTER

2.1 Other information contained in the annual report of the Company

The Institute of Chartered Accountants of Pakistan (ICAP) has adopted the International Standard on Auditing (ISA) 720 (Revised) *The Auditor's Responsibilities Relating to Other Information* which is effective for audits of financial statements for periods ending on or after December 15, 2016. This standard requires an auditor to:

- (a) determine, through discussion with management, which document(s) comprise the annual report, the entity's planned manner and timing of the issue of such document(s);
- (b) make appropriate arrangements with management to obtain in a timely manner and, if possible, prior to the date of the auditor's report, the final version of the document(s) comprising the annual report; and

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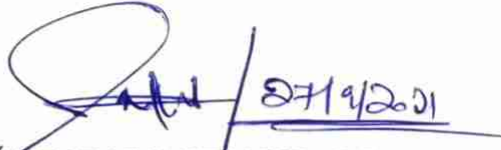
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- (c) when some or all the document(s) determined in (a) will not be available until after the date of the auditor's report, request management to provide a written representation that the final version of the document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by the above referred ISA.

Accordingly, we would appreciate if such other information could be made available for our review and analysis well before the issuance of our audit report, so that we may ensure due compliance with the requirements of the aforesaid ISA.

Finally, we wish to place on record our appreciation for the courtesy and co-operation extended to us by the management of the company and other concerned staff during the course of our audit.

Yours truly,



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

ANNEXURE 'A'

Legal confirmation:

- Asma Khan

Bank Conformations:

- Summit Bank Limited
- M.C.B Bank Limited
- Bank of Khyber Limited

Creditors Conformations:

- Mr. Imran Nisar Manoo
- Mr. Zafar Iqbal
- Mr. Waqas Umer
- Ms. Nazish Saleem

Related Party Conformations :

- Ms. Sana Umer
- Mr. Sheikh Umer
- Mr. Sheikh Qaiser

Debtor Conformations :

- Mr. Muhammad Yahya

Agreement between the Company and its dealers for brokerage commission.

**AUDITED FINANCIAL STATEMENTS
OF
APEX CAPITAL SECURITIES
(PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2021**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**

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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.

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: 27 SEP 2021

Apex Capital Securities (Private) Limited

Statement of Financial Position

As at June 30, 2021

EQUITY AND LIABILITIES	Note	2021 Rupees	2020 Rupees
Share capital and reserves			
Authorized capital	5	75,000,000	75,000,000
Issued, subscribed and paid up capital	5	59,500,000	59,500,000
Revenue reserves			
Unappropriated profit		51,330,998	20,599,520
Capital reserve			
Capital contribution from the Chief Executive	6	16,609,500	16,609,500
		127,440,498	96,709,020
Current liabilities			
Trade and other payables	7	25,415,065	13,204,327
Short term borrowings	8	4,543,187	1,235,301
		29,958,252	14,439,628
Total equity and liabilities		157,398,750	111,148,648
Contingencies and commitments	9	-	-
ASSETS			
Non-current assets			
Property and equipment	10	11,484,501	7,684,491
Intangible asset	11	2,500,000	2,500,000
Long term deposits	12	1,500,000	1,500,000
		15,484,501	11,684,491
Current assets			
Short term investments	13	69,455,366	37,092,906
Trade debts	14	20,831,305	46,199,718
Advance, deposit and other receivables	15	28,135,521	3,571,403
Taxation - net		8,355,821	9,158,038
Cash and bank balances	16	15,136,236	3,442,091
		141,914,249	99,464,156
Total assets		157,398,750	111,148,648

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

Apex Capital Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021 Rupees	2020
Operating revenue	17	17,812,131	7,420,198
Capital gain / (loss) realized on disposal of investments - net		5,646,484	(69,784)
Administrative expenses	18	(12,190,532)	(12,488,273)
Financial charges	19	(175,677)	(140,814)
		(12,366,209)	(12,629,087)
Other expenses	20	(6,820,046)	(1,117,953)
Gain / (Loss) on re-measurement of investments carried at fair value through profit or loss - net		25,865,649	(3,188,849)
Other income	21	1,628,177	945,860
Profit / (Loss) before taxation		31,766,186	(8,639,615)
Provision for taxation	22	(1,034,708)	(215,519)
Profit / (Loss) after taxation		30,731,478	(8,855,134)

The annexed notes from 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

Apex Capital Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	Rupees	
Profit / (Loss) after taxation	30,731,478	(8,855,134)
Total comprehensive income / (loss) for the year	<u><u>30,731,478</u></u>	<u><u>(8,855,134)</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

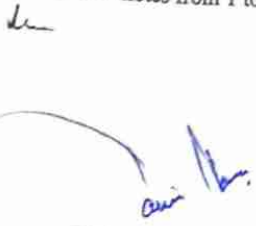
Apex Capital Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2021

	Issued, subscribed and paid up capital	Revenue reserve	Capital reserve	Total reserve	Total equity
		Unappropri- ated profit	Capital contribution from the Chief Executive		
Balance as at July 1, 2019	59,500,000	29,454,654	16,609,500	46,064,154	105,564,154
<i>Total comprehensive loss for the year ended June 30, 2020</i>					
- Loss after taxation	-	(8,855,134)	-	(8,855,134)	(8,855,134)
- Other comprehensive income	-	-	-	-	-
	-	(8,855,134)	-	(8,855,134)	(8,855,134)
Balance as at June 30, 2020	59,500,000	20,599,520	16,609,500	37,209,020	96,709,020
<i>Total comprehensive income for the year ended June 30, 2021</i>					
- Profit after taxation	-	30,731,478	-	30,731,478	30,731,478
- Other comprehensive income	-	-	-	-	-
	-	30,731,478	-	30,731,478	30,731,478
Balance as at June 30, 2021	<u>59,500,000</u>	<u>51,330,998</u>	<u>16,609,500</u>	<u>67,940,498</u>	<u>127,440,498</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

Apex Capital Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2021

	2021	2020
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	31,766,186	(8,639,615)
Adjustments for non-cash and other items:		
Depreciation	10 2,183,040	1,380,025
(gain) / loss on re-measurement of investments carried at fair value through profit or loss - net	13 (25,865,649)	3,188,849
Capital (gain) / loss realized on disposal of investments	(5,646,484)	69,784
Increase in provision for doubtful debt	14 -	-
Financial charges	175,677	140,814
	<u>(29,153,416)</u>	<u>4,779,472</u>
	2,612,770	(3,860,143)
Changes in working capital:		
<i>Decrease / (increase) in current assets</i>		
Trade debts	25,368,413	(1,357,285)
Advance, deposit, prepayment and other receivables	(24,564,118)	(956,913)
<i>Increase in current liabilities</i>		
Trade and other payables	12,210,738	934,875
	<u>13,015,033</u>	<u>(1,379,323)</u>
Cash generated from / (used in) operations	15,627,803	(5,239,466)
Financial charges paid	(175,677)	(140,814)
Tax paid	(232,490)	(465,083)
Net cash generated from / (used in) operating activities	15,219,636	(5,845,363)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(5,983,050)	(194,500)
Purchase and sale of investments - net	(850,327)	(881,675)
Net cash used in investing activities	(6,833,377)	(1,076,175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings obtained	3,307,886	1,235,301
Net cash generated from / (used in) Financing activities	3,307,886	1,235,301
Net decrease in cash and cash equivalents	11,694,145	(5,686,237)
Cash and cash equivalents at beginning of the year	3,442,091	9,128,329
	23 <u>15,136,236</u>	<u>3,442,091</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

Apex Capital Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1 Apex Capital Securities (Private) Limited ('the Company') was incorporated in Pakistan on February 24, 2004 as a private limited company under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, share brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services. Company's registered office is situated at Room No. 439-440, 4th Floor, Stock Exchange Building, Pakistan Stock Exchange Road, Karachi.

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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, 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 investments in listed equity securities classified and 'fair value through profit and loss ("FVTPL")' which are carried at fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Following are some significant areas where management used estimates and judgements other than those which have been disclosed elsewhere in these financial statements.

Note

- Useful lives and residual values of property and equipment.	4.1
- Useful lives and residual values of intangible assets.	4.2
- Provision for expected credit losses	4.4.3
- Provision for taxation	4.11

3 NEW ACCOUNTING PRONOUNCEMENTS

3.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2021.*

During the years, certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

3.2 *New / revised accounting standards, amendments to published accounting standards and 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 the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Company’s financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard’s previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

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Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and
- c. there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified 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 shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these financial statements.

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- 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:
 - a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - c. 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 January 01, 2023 with earlier application permitted.

The management of the Company is currently in the process of assessing the impacts of above amendments to these financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments 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 a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, 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. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments 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 recognise 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 recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised 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 January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends 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.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

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- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

The above amendments are not likely to affect the financial statements of the Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss account during the year in which they are incurred.

Depreciation is charged to statement of profit or loss account applying the reducing balance method at the rates specified in note 10. Depreciation is charged when the asset is available for use till the asset is disposed off.

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

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2019 did not require any adjustment.

4.2 Intangible asset - Trading Rights Entitlement Certificate

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.

4.3 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.4 Financial instruments

4.4.1 Initial Recognition

Purchase of investments are recognized using settlement date accounting i.e on the date on which settlement of purchase transaction take place.

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4.4.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit and loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

(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 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.

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

4.4.3 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 statement of profit or loss.

(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 in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

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(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

4.4.4 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

4.4.5 De-recognition

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

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.5 Financial liabilities

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

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

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

4.6 Offsetting of financial assets and financial liabilities

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

4.7 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

4.8 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term running finance.

4.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

4.11 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. 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.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

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

Offsetting

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

4.12 Provisions

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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

Contingent liabilities

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

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4.13 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income 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.

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

5 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		2021	2020
---Number of shares---			----- Rupees-----	
<u>7,500,000</u>	<u>7,500,000</u>	Authorized:	<u>75,000,000</u>	<u>75,000,000</u>
		Ordinary shares of Rs. 10/- each		
		Issued, subscribed and paid-up :		
<u>5,950,000</u>	<u>5,950,000</u>	Ordinary shares of Rs. 10/- each	<u>59,500,000</u>	<u>59,500,000</u>
		issued as fully paid in cash		

5.1 Shareholders holding more than 5% of the shares are as follows:

	2021		2020	
	Number of shares	% shareholding	Number of shares	% shareholding
Mouhammad Amin	297,500	5%	297,500	5%
Shahzeen Kaiser	595,000	10%	595,000	10%
Naveed Godil	714,000	12%	714,000	12%
Shaikh Umer	773,360	13%	773,360	13%
Khalida Zafar	773,640	13%	773,640	13%
Sheikh Moiz	952,000	16%	952,000	16%
Sheikh Kaiser	<u>1,844,500</u>	<u>31%</u>	<u>1,844,500</u>	<u>31%</u>
	<u>5,950,000</u>	<u>100%</u>	<u>5,950,000</u>	<u>100%</u>

2 There is no agreement with shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

CAPITAL CONTRIBUTION FROM THE CHIEF EXECUTIVE

This represented the difference between the nominal value and present value (at the disbursement date) of long term loan received from the Chief Executive of the Company in March 2016. Since the loan is interest-free and had to be repaid after 3 years from the disbursement date, it had been discounted at the Company's borrowing rate with the effect of discounting credited to equity in accordance with the requirements of Technical Release 32 *Accounting Directors' Loan* issued by the Institute of Chartered Accountants of Pakistan. Subsequently, the said loan had been repaid to the CEO on June 28, 2019.

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		2021	2020
	Note	Rupees	
7 TRADE AND OTHER PAYABLES			
Creditors			
Accrued liabilities		14,561,079	7,361,067
Others		3,642,431	5,758,548
		<u>7,211,555</u>	<u>84,712</u>
8 SHORT TERM BORROWINGS		<u>25,415,065</u>	<u>13,204,327</u>
Short term borrowings	8.1	<u>4,543,187</u>	<u>1,235,301</u>

8.1 The Company has obtained running Finance facility from a conventional bank. The limit of the facility is Rs. 45 million (2020: Rs. 45 million). The facility is secured by pledge of shares and personal guarantee of all directors. The facility carries mark-up at 3 month KIBOR plus 3% (2020: Rs. 3%) per annum and facility is valid upto March 31, 2022.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

As of the reporting date, no material contingencies were known to exist (2020: None).

9.2 Commitments

-Guarantee given by M/s. Bank Al-Falah Limited in favour of NCCPL against Ready and future settlement requirements

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10 PROPERTY AND EQUIPMENT

	Building	Furniture & fixture	Vehicles	Office equipment	Computers	Total
	Rupees					
As at July 01, 2019						
Cost	9,208,860	713,780	2,897,900	750,335	1,960,885	15,531,760
Accumulated depreciation	<u>(2,807,896)</u>	<u>(550,300)</u>	<u>(951,597)</u>	<u>(584,165)</u>	<u>(1,767,786)</u>	<u>(6,661,744)</u>
Net book value	<u>6,400,964</u>	<u>163,480</u>	<u>1,946,303</u>	<u>166,170</u>	<u>193,099</u>	<u>8,870,016</u>
Movement during the year ended June 30, 2020						
Opening net book value	6,400,964	163,480	1,946,303	166,170	193,099	8,870,016
Additions during the year	-	53,000	-	-	141,500	194,500
Depreciation for the year	<u>(960,145)</u>	<u>(29,052)</u>	<u>(291,945)</u>	<u>(24,926)</u>	<u>(73,957)</u>	<u>(1,380,025)</u>
Closing net book value	<u>5,440,819</u>	<u>187,428</u>	<u>1,654,358</u>	<u>141,244</u>	<u>260,642</u>	<u>7,684,491</u>
As at June 30, 2020						
Cost	9,208,860	766,780	2,897,900	750,335	2,102,385	15,726,260
Accumulated depreciation	<u>(3,768,041)</u>	<u>(579,352)</u>	<u>(1,243,542)</u>	<u>(609,091)</u>	<u>(1,841,743)</u>	<u>(8,041,769)</u>
Net book value	<u>5,440,819</u>	<u>187,428</u>	<u>1,654,358</u>	<u>141,244</u>	<u>260,642</u>	<u>7,684,491</u>
Movement during the year ended June 30, 2021						
Opening net book value	5,440,819	187,428	1,654,358	141,244	260,642	7,684,491
Additions during the year	-	22,000	5,643,000	171,600	146,450	5,983,050
Depreciation for the year	<u>(816,123)</u>	<u>(29,642)</u>	<u>(1,224,385)</u>	<u>(22,358)</u>	<u>(90,532)</u>	<u>(2,183,040)</u>
Closing net book value	<u>4,624,696</u>	<u>179,786</u>	<u>6,072,973</u>	<u>290,486</u>	<u>316,560</u>	<u>11,484,501</u>
As at June 30, 2021						
Cost	9,208,860	788,780	8,540,900	921,935	2,248,835	21,709,310
Accumulated depreciation	<u>(4,584,164)</u>	<u>(608,994)</u>	<u>(2,467,927)</u>	<u>(631,449)</u>	<u>(1,932,275)</u>	<u>(10,224,809)</u>
Net book value	<u>4,624,696</u>	<u>179,786</u>	<u>6,072,973</u>	<u>290,486</u>	<u>316,560</u>	<u>11,484,501</u>
Rate of depreciation	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>30%</u>	

INTANGIBLE ASSET

	Note	2021	2020
		Rupees	
11 Trading Rights Entitlement (TRE) Certificate			
Cost			
Impairment	12.1	2,500,000	2,500,000
		-	-
		<u>2,500,000</u>	<u>2,500,000</u>

11.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act'), the Company has received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The right has been carried at cost less impairment.

	Note	2021	2020
		Rupees	
12 LONG TERM DEPOSITS - considered good			
With Central Depository Company of Pakistan Limited in respect of basic deposit		100,000	100,000
With National Clearing Company of Pakistan Limited in respect of basic and other deposits		1,400,000	1,400,000
		<u>1,500,000</u>	<u>1,500,000</u>
13 SHORT TERM INVESTMENT			
<i>Fair value through profit or loss</i>			
Investment in quoted equity securities			
13.1 Investment in quoted equity securities	13.1	69,455,366	37,092,906
		<u>69,455,366</u>	<u>37,092,906</u>

	2021	2020		Note	2021	2020
	-- (Number of shares) --		Scrip name		Fair value	Fair value
	5,000	5,000	Adamjee Insurance Company Limited		207,350	165,550
	5,000	-	Amreli Steels Limited		217,200	-
	415,000	500,000	Askari Bank Limited		9,432,950	6,855,000
	12,500	12,500	Attock Refinery Limited		3,205,625	1,116,500
	10,000	10,000	Beema-Pakistan Company Limited -	13.1.1	-	-
	190,000	15,000	Fauji Cement Company Limited		4,370,000	253,200
	20,000	33,000	Frieslandcampina Engro Pakistan Limited		2,301,600	2,425,830
	120	100	Ferozsons Laboratories Limited		42,338	30,043
	10,000	10,000	Fauji Fertilizer Company Limited		1,061,000	1,099,900
	16,200	16,200	The General Tyre & Rubber		1,422,847	963,900
	210	210	Habib Bank Limited		25,698	20,341
	100	100	ICI Pakistan Limited		86,880	69,471
	2	2	Nishat Mills Limited		187	156
	40,000	40,000	Norrie Textile Mills Limited	13.1.1	-	-
	6,000	8,000	National Refinery Limited		3,139,140	858,240
	500,000	500,000	Pakistan International Bulk Terminal Limited		5,690,000	4,400,000
	60,000	-	Seervice Global Footwear Limited		3,469,800	-
	500,000	500,000	Summit Bank Limited		1,165,000	600,000
	27,000	27,000	Treet Corporation Limited		1,336,230	482,220
	-	100,000	Pak Electron Limited		-	2,293,000
	-	18,000	Pioneer Cement Limited		-	1,134,720
	-	-	Pakistan Refinery Limited		-	-
	1,446,953	1,446,953	Pakistan Stock Exchange Limited		32,281,521	14,324,835
					<u>69,455,366</u>	<u>37,092,906</u>

13.1.1 These securities are non-traded therefore have been assigned Nil value.

	Note	2021	2020
		Rupees	
14 TRADE DEBTS			
Considered good- secured		22,826,311	48,405,829
Considered doubtful- unsecured		-	1,148,822
		<u>22,826,311</u>	<u>49,554,651</u>
Less: Provision for expected credit losses	14.1	(1,995,006)	(3,354,933)
		<u>20,831,305</u>	<u>46,199,718</u>

		2021	2020
	Note	Rupees	
14.1	Movement in provision for expected credit losses		
		3,354,933	2,332,625
		(1,359,927)	2,206,111
		-	(1,183,803)
		<u>1,995,006</u>	<u>3,354,933</u>
15	ADVANCE, DEPOSIT AND OTHER RECEIVABLES - Considered good		
	<i>Advances</i>		
	- To employees	48,000	45,000
	<i>Deposits</i>		
	Deposits placed with NCCPL in respect of:		
	- Exposure margin on ready market	11,300,000	3,526,403
	- Exposure margin on DFCs	8,243,020	-
	- Loss on DFCs (net of demand)	1,178,275	-
	Other receivables	7,366,226	-
		<u>28,135,521</u>	<u>3,571,403</u>
16	CASH AND BANK BALANCES		
	Cash in hand	8,710	-
	Cash at bank		
	-Saving account	19,994	19,083
	-Current account	15,107,532	3,423,008
		<u>15,127,526</u>	<u>3,442,091</u>
		<u>15,136,236</u>	<u>3,442,091</u>
16.1	The return on these balances is 5% to 6.5% (2020: 4.5% to 7%) per annum on daily product basis.		
16.2	This includes a balance of Rs. 14,561,079 (2020: Rs. 3,356,236) held in a separate bank account designated to clients.		
17	OPERATING REVENUE		
	Brokerage commission income	16,473,446	6,527,342
	Dividend income	1,338,685	892,856
		<u>17,812,131</u>	<u>7,420,198</u>
18	ADMINISTRATIVE EXPENSES		
	Salaries, benefits and allowances	2,557,697	2,209,500
	Directors' remuneration	3,600,000	3,600,000
	Office maintenance charges	240,000	177,600
	Printing and stationery	55,460	40,360
	Communication expenses	727,092	497,620
	Auditors' remuneration	500,000	500,000
	Legal and professional charges	202,605	237,588
	Fees and subscription	51,300	50,250
	Electricity charges	207,233	181,037
	Entertainment expense	45,650	75,290
	Repair and maintenance	236,872	241,750
	Depreciation	2,183,040	1,380,025
	Provision for doubtful debt	-	2,206,111
	NCCPL charges	538,977	382,979
	CDC charges	564,717	335,407
	Others	479,889	372,756
		<u>12,190,532</u>	<u>12,488,273</u>

		2021	2020
	Note	Rupees	
19 FINANCIAL CHARGES			
Bank markup on short term running finance		70,459	26,397
Bank charges		105,218	114,417
		<u>175,677</u>	<u>140,814</u>
20 OTHER EXPENSES			
Parking fee		62,000	50,000
Kits charges		502,596	978,648
Loss due to financial fraud	20.1	6,255,450	89,305
		<u>6,820,046</u>	<u>1,117,953</u>

20.1 During the year, an ex-employee of the Company committed a fraud amounting to Rs. 14.166 million through misappropriation of bank balances. Management of the Company adopted different measures to recover the embezzled amount resulting in actual recovery of Rs. 1.7 million till the reporting date. Management also expects to receive an amount of Rs. 6.8 million (refer note 15) from the ex-employee in the form of a plot of land. Remaining unrecoverable amount embezzled by the employee has been recognized as loss by the Company in current year.

Accounting effects of the fraud have been duly identified and rectified by the management in these financial statements.

		2021	2020
	Note	Rupees	
21 OTHER INCOME			
Interest income		1,071	1,878
Impairment reversal on trade debts		1,359,927	-
Profit On Rms Deposit		267,179	943,982
		<u>1,628,177</u>	<u>945,860</u>
22 TAXATION			
Current		1,018,389	215,519
Prior year tax		16,319	-
		<u>1,034,708</u>	<u>215,519</u>

22.1 Reconciliation between tax charge based on accounting profit and tax expense

As the income of the Company for the tax years 2021 and 2020 is subject to taxation under minimum and final tax regimes, a reconciliation between the tax charge based on accounting profit and tax expense recognized in the financial statements has not been presented.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

		2021	2020
	Note	Rupees	
Cash and bank balances	16	<u>15,136,236</u>	<u>3,442,091</u>

24 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the financial statements for remuneration, including certain benefits, to the Chief Executive and Directors of the Company are as follows:

	Chief Executive		Directors		Total	
	2021	2020	2021	2020	2021	2020
	Rupees					
Managerial remuneration	<u>3,000,000</u>	<u>3,000,000</u>	<u>600,000</u>	<u>600,000</u>	<u>3,600,000</u>	<u>3,600,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

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25 **RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprises of directors, key management personnel and their close family members. Remuneration to key management personnel are in accordance with their terms of employment.

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

Balance outstanding at year end		2021	2020
		Rupees	
<i>Nature</i>	<i>Relationship</i>		
Receivable from Sheikh Kaiser	Chief Executive	<u>2,159,982</u>	<u>2,870,835</u>
Receivable from Sheikh Umer	Close family member	<u>4,902,445</u>	<u>36,514,135</u>
Receivable from Sana Umer	Close family member	<u>2,226,142</u>	<u>2,226,180</u>

26 **FINANCIAL INSTRUMENTS**

26.1 **Financial risk analysis**

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

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

a) **Market risk**

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

i) **Foreign currency risk**

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

ii) **Price risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 10%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark to market and credit losses. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 69.46 million (2020: 37.09 million) and also the Company holds collaterals in the form of equity securities against their debtor balances at the reporting date.

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

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sector of the market.

Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2021 and 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) after tax
June 30, 2021	Rupees	69,455,366	10% increase	76,400,903	6,077,345	6,077,345
			10% decrease	62,509,829	(6,077,345)	(6,077,345)
June 30, 2020	Rupees	37,092,906	10% increase	40,802,197	3,245,630	3,245,630
			10% decrease	33,383,615	(3,245,630)	(3,245,630)

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

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

Financial assets and liabilities include balances of Rs. Rs. 19,994 (2020: Rs. 19,083) and Rs. 4.5 million (2020: Rs. 1.2 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - <i>pls account</i>	5% to 6.5%	4.5% to 7%	<u>19,994</u>	<u>19,083</u>
Financial liabilities				
Short term borrowings	3MK+3%	3MK+3%	<u>4,543,187</u>	<u>1,235,301</u>

b) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

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

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

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

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

	2021	2020
	Rupees	
Long term deposits	1,500,000	1,500,000
Trade debts	20,831,305	46,199,718
Advance, deposit and other receivables	28,135,521	3,571,403
Bank balances	15,127,526	3,442,091
	<u>65,594,352</u>	<u>54,713,212</u>

The maximum exposure to credit risk for trade debts is due from local clients.

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

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

Banks	Short term rating	Credit rating agency	2021	2020
			Rupees	
Bank Al-Falah Limited	A-1+	PACRA	15,060,754	3,375,319
MCB Bank Limited	A-1+	PACRA	7,876	7,876
Bank of Khyber	A-1	PACRA	53,896	53,896
Summit Bank Limited	-	-	5,000	5,000
			<u>15,127,526</u>	<u>3,442,091</u>

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

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

c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	2021			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities				
Short term borrowings	4,543,187	4,543,187	4,543,187	
Trade and other payables	24,926,330	24,926,330	24,926,330	-
	29,469,517	29,469,517	29,469,517	-
	2020			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities				
Short term borrowings	1,235,301			
Trade and other payables	12,749,562	12,749,562	12,749,562	-
	13,984,863	12,749,562	12,749,562	-

26.2 **Fair value estimate**

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

The table below analyses equity 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 categorized:

June 30, 2021	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Equity Securities	69,455,366	-	-	69,455,366
June 30, 2020	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Equity Securities	37,092,906	-	-	37,092,906

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26.3 Financial instruments by categories

As at June 30, 2021 Financial assets as per statement of financial position	2021			Total
	Asset at fair value through other comprehensive income	Asset at fair value through profit or loss	Ammortized cost	
	Rupees			
Long term deposits	-	-	1,500,000	1,500,000
Short term investments	-	69,455,366	-	69,455,366
Trade debts	-	-	20,831,305	20,831,305
Advance, deposit and other receivables	-	-	28,135,521	28,135,521
Bank balances	-	-	15,127,526	15,127,526
	-	69,455,366	65,594,352	135,049,718

As at June 30, 2021 Financial liabilities as per statement of financial position	Financial liabilities at amortized cost — Rupees —	
Short term borrowings		4,543,187
Trade and other payables		24,926,330
		<u>29,469,517</u>

As at June 30, 2020 Financial assets as per statement of financial position	2020			Total
	Asset at fair value through other comprehensive income	Asset at fair value through profit or loss	Ammortized cost	
	Rupees			
Long term deposits	-	-	1,500,000	1,500,000
Short term investments	-	37,092,906	-	37,092,906
Trade debts	-	-	46,199,718	46,199,718
Advance, deposit and other receivables	-	-	3,571,403	3,571,403
Bank balances	-	-	3,442,091	3,442,091
	-	37,092,906	54,713,212	91,806,118

As at June 30, 2020 Financial liabilities as per statement of financial position	Financial liabilities at amortized cost — Rupees —	
Short term borrowings		1,235,301
Trade and other payables		12,749,562
		<u>13,984,863</u>

27 CAPITAL

27.1 Management of capital

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

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

	2021	2020
	Rupees	
Total assets	157,398,750	111,148,648
Less: Total liabilities	29,958,252	14,439,628
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	<u>127,440,498</u>	<u>96,709,020</u>

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

27.4 Net capital balance

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

Net Capital Balance [as per the requirements of the Securities Brokers (Licencing and Operations) Regulations, 2016]

DESCRIPTION	VALUATION	RUPEES
CURRENT ASSETS		
Cash in hand or in bank	As per Book Value	35,857,531
Trade Receivables	Book Value less overdue for more than 14 days	18,110,456
Investment in listed securities in the name of broker.	Securities on the exposure list market to market less 15% discount	26,779,339
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	1,922,120
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	-
FIBs	Marked to market less 5% discount.	-
Treasury Bill	At market value	-
Anyother current asset specified by the commission	As per the valuation basis determined by the commission.	-
		82,669,446
CURRENT LIABILITIES		
Trade Payables	Book value less overdue for more than 30 days	11,419,905
Other Liabilities	As classified under the generally accepted accounting principles	18,538,347
		29,958,252
		52,711,194

NET CAPITAL BALANCE AS AT JUNE 30, 2021

Notes to the Net Capital Balance

	Rupees
1 Cash and bank balances	
Cash in hand	8,710
Exposure margin deposited to NCCPL	20,721,295
Bank balance pertaining to clients	15,040,760
Bank balance pertaining to brokerage house	86,766
	35,857,531
2 Trade receivables	
Receivables against Ready Market	22,826,311
Less: overdue for more than 14 days	(4,715,855)
	18,110,456
3 Investment in Listed Securities in the name of broker	
Securities marked to market	31,505,105
Less 15%	(4,725,766)
	26,779,339
4 Securities purchased for client	
Overdue balance for more than 14 days	4,715,855
	4,715,855
Lower of overdue balance and securities held against such balance	1,922,120
5 Trade payables	
Book value	14,561,079
Less: overdue for more than 30 days	(3,141,174)
	11,419,905
6 Other liabilities	
Creditors overdue for more than 30 days	3,141,174
Short term borrowings	4,543,187
Accrued Liabilities and Other Payables	10,853,986
	18,538,347

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27.5 Liquid Capital Balance

The Liquid Capital Balance as required under Third Schedule of Securities Brokers (Licensing and Operations) Regulation 2016, read with SECP guidelines is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	11,484,501	100%	-
1.2	Intangible Assets	2,500,000	100%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
	Investment in Debt. Securities			
	If listed than:			
	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.	-	-	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure 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.	-	-	-
	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	31,505,105	5,617,041	25,888,064
	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.	-	-	-
1.5	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)	37,950,260	100%	-
1.6	Investment in subsidiaries	-	-	-
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	100%	-
1.9	Margin deposits with exchange and clearing house.	20,721,295	0%	20,721,295
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	48,000	0%	48,000
	ii. Receivables other than trade receivables	15,155,821	100%	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
1. Assets				
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	566,226	0%	566,226
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	-	-	-
	<i>i. Lower of net balance sheet value or value determined through adjustments.</i>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	-	-
	<i>ii. Net amount after deducting haircut</i>			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	<i>iii. Net amount after deducting haircut</i>			
iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	5,254,583	0%	5,254,583	
<i>iv. Balance sheet value</i>				
v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	8,283,165	1,174,149	7,109,016	
<i>v. Lower of net balance sheet value or value determined through adjustments</i>				
<i>vi. 100% haircut in the case of amount receivable from related parties.</i>	9,288,569	100%	-	
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	86,766	-	86,766
	ii. Bank balance-customer accounts	15,040,760	-	15,040,760
	iii. Cash in hand	8,710	-	8,710
1.19	Total Assets	159,393,761		74,723,420
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	14,561,079	-	14,561,079
2.2	Current Liabilities			
	i. Statutory and regulatory dues	462,491	-	462,491
	ii. Accruals and other payables	10,391,495	-	10,391,495
	iii. Short-term borrowings	4,543,187	-	4,543,187
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	1,995,006	-	1,995,006
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	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 allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained			
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.			
e. Auditor is satisfied that such advance is against the increase of capital.				
iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-	

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
	Subordinated Loans			
2.4	<p>i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified:</p> <p>a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period</p> <p>b. No haircut will be allowed against short term portion which is repayable within next 12 months.</p> <p>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.</p> <p>ii. Subordinated loans which do not fulfill the conditions specified by SECP</p>	-	-	-
2.5	Total Liabilities	31,953,258		31,953,258
3. Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments (a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	1,614,076	1,614,076

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
Opening Positions in futures and options				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
Short sell positions				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	1,614,076	1,614,076

28 GENERAL

28.1 Number of employees

The total number of employees at year end and average number of employees during the year, respectively, are as follows:

	2021	2020
	(Number)	
Total number of employees at year end	9	8
Average number of employees during the year	8	7

28.2 Reclassification of corresponding figures

In these financial statements the following corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The effect of these reclassification is not regarded as material.

Reclassified from component	Reclassified to component	Rupees
Electricity charges - Administrative expenses	office maintenance charges - Administrative expenses	177,600
Others - Administrative expenses	NCCPL - Administrative expenses	382,979
Others - Administrative expenses	CDC - Administrative expenses	335,407
Current account - Cash and bank	Saving account - cash and bank	19,083
Saving account - Cash and bank	Current account - cash and bank	3,423,008

28.3 Figures have been rounded off to the nearest rupee.

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors and authorized for issue on

27 SEP 2021


CHIEF EXECUTIVE


DIRECTOR