AKHAI SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2020

AKHAI SECURITIES (PRIVATE) LIMITED

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
A Member firm of
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AKHAI SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Akhai Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss,statement ofcomprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss,statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (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.

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.

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, statement ofcomprehensive 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;

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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)

Other Matter(s)

The financial statements of the Company for the year ended June 30, 2019 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 04, 2019 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra - FCA**

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Naveed Zafar Ashfaq Jaffery & Co
Chartered Accountants

Dated : 20 OCT 2020
Karachi :

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 *(Rupees)*	2019 *(Rupees)*
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	4,019,469	5,246,607
Intangible assets	6	2,750,000	2,750,000
Long term investment	7	-	14,055,522
Long term deposits	8	3,273,640	3,986,596
		10,043,109	26,038,725
CURRENT ASSETS			
Trade debts	9	16,422,905	9,108,712
Short term investment	10	18,016,062	7,006,645
Advances, deposits, prepayments and other receivables	11	593,369	1,727,633
Advance taxation		3,128,097	3,123,673
Cash and bank balances	12	1,817,757	591,349
		39,978,190	21,558,012
		50,021,299	47,596,737
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	13	35,000,000	35,000,000
Issued, subscribed and paid-up capital	13	35,000,000	35,000,000
Surplus - Investment at fair value through other comprehensive income		-	3,243,582
Accumulated loss		(9,156,689)	(1,741,410)
		25,843,311	36,502,172
CURRENT LIABILITIES			
Trade and other payable	14	1,123,312	2,362,013
Short Term Running finance	15	23,054,675	8,732,552
		24,177,987	11,094,565
Contingencies and commitments	16	-	-
		50,021,299	47,596,737

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

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Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 *(Rupees)*	2019 *(Rupees)*
Operating revenue	17	1,186,389	1,624,396
Capital (Loss) on sale of investments		(19,948)	-
(Loss) on re-measurement of investments carried at fair value through profit or loss		(4,254,146)	(10,407,751)
		(3,087,705)	(8,783,355)
Operating and administrative expenses	18	(3,657,364)	(22,116,974)
		(6,745,069)	(30,900,329)
Finance Cost	19	(2,583,602)	(1,548,243)
Other income	20	2,016,076	1,629,345
LOSS BEFORE TAXATION		(7,312,595)	(30,819,227)
Taxation	21	(102,684)	(106,174)
LOSS FOR THE YEAR		(7,415,278)	(30,925,401)
(Loss) per share - basic and diluted	22	(2.1)	(8.8)

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

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Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 *(Rupees)*	2019 *(Rupees)*
(Loss) for the year	(7,415,278)	(30,925,401)
Other comprehensive income:		
(Loss) on revaluation of investments at fair value through other comprehensive income	(3,243,582)	(7,298,060)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	(10,658,860)	(38,223,461)

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

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Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/(Deficit) on Investment at FVTOCI	Total
	----------	----------	*Rupees* ----------	----------
Balance as at June 30, 2018	35,000,000	29,183,991	10,541,642	74,725,633
Net loss for the year	-	(30,925,401)	-	(30,925,401)
Unrealised (loss) on revaluation of investments at fair value through OCI	-	-	(7,298,060)	(7,298,060)
Balance as at June 30, 2019	35,000,000	(1,741,410)	3,243,582	36,502,172
Net loss for the year	-	(7,415,278)	-	(7,415,278)
Unrealised (loss) on revaluation of investments at fair value through OCI	-	-	(3,243,582)	(3,243,582)
Balance as at June 30, 2020	35,000,000	(9,156,689)	-	25,843,311

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

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Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2020

	2020 (Rupees)	2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(7,312,595)	(30,819,227)
Adjustment for non-cash Items:		
Depreciation	624,544	649,398
Gain on disposal of vehicle	(918,015)	-
Capital loss	19,948	-
Capital (gain)/Loss - on investment at fair value through P&L	4,254,146	10,407,751
Capital (gain)/loss on investment at fair value through OCI	(3,243,582)	-
Dividend income	(565,923)	(572,082)
Finance cost	2,583,602	1,548,243
Operating profit before working capital changes	2,754,720	12,033,310
Changes in working capital		
(Increase)/Decrease in trade debts	(7,314,193)	29,569,462
(Increase)/Decrease in advances, deposits and prepayments	1,134,264	137,190
(Decrease) / increase in trade and other payable	(1,238,701)	(28,647)
Net changes in working capital	(7,418,630)	29,678,005
Finance cost paid	(2,583,602)	(1,548,243)
Taxes paid	(107,107)	(471,997)
Net cash (used in)/generated from operating activities	(14,667,214)	8,871,848
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,725,000	-
(Increase) in long term deposits	712,956	(1,232,956)
(Purchase)/sale of investments - net	(1,432,380)	7,075,439
Dividend received	565,923	572,082
Net cash generated from investing activities	1,571,499	6,414,565
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term running finance	14,322,123	(16,215,536)
Net cash generated from/(used in) financing activities	14,322,123	(16,215,536)
Net increase/(decrease) in cash and cash equivalent	1,226,408	(929,123)
Cash and cash equivalent at beginning of the year	591,349	1,520,472
Cash and cash equivalent at end of the year	1,817,757	591,349

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

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Chief Executive

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

Akhai Securities (Private) Limited The company was incorporated on 29th September 2005 as a private limited company under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The Company is a TREC (Trading Right Entitlement Certificate) holder of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited). The Company is principally engaged in brokerage of shares, stocks, securities, securities research and other related jobs. The registered office of the company is locatedd at 623, Stock Exchange Building, 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 for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the "Act"); and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Companies Act,2017 differ from the IFRS standard, 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 historical cost convention except, for certain property and equipment and intangible assets, which have been stated at revalued amounts and financial assets and financial liabilities which have been stated at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with 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, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances, the result 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the following:

(a) determination of the residual values and useful lives of property and equipments and intangible assets (note 5.1 & 5.2)

(b) Trade debts (note 5.8)

(c) current tax and deferred tax (note 5.10)

(d) Provisions (note 5.13)

3 Standards and amendments to published approved accounting and reporting standards that are not yet effective:

There is a new standard and certain amendments and an interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020 . However, the standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

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INITIAL APPLICATION OF IFRS 16

An overview of the new lease accounting requirements for lessees

With effect from July 01, 2019, the Company has adopted the International Financial Reporting Standard (IFRS) 16 Leases which replaced the previous lease accounting requirements contained in IAS 17 Leases, IFRIC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC Interpretation 15 Operating Leases— Incentives and SIC Interpretation 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees whereby, at the date of commencement of lease, a lessee is required to recognize a right-of -use asset and a lease liability (except in case short term leases and leases of low value assets). The right-of-use asset represents the lessee's right to use an underlying asset during the lease term and the corresponding lease liability represents the lessee's obligation to make payments to the lessor for providing the right to use that asset. In the IASB's view, this new lessee accounting model reflects the economics of a lease because, at the commencement date, a lessee obtains the right to use an underlying asset for a period of time, and the lessor had delivered that right by making the asset available for use by the lessee.

The aforesaid new accounting model materially differs from the previous lease accounting requirements for lessees risks and rewards incidental to ownership were substantially transferred to the lessee. Under the previous standard, at the commencement of the lease term, the lessee recognized finance leases as assets and liabilities in its statement of financial position. However, the lessee recognized the payments made under operating leases as an expense on a straight line basis over the lease term unless another systematic basis was more representative of the time pattern of the user's benefit.

Method of transition to the new lease accounting model

IFRS 16 specifies that a lessee shall apply the standard to its leases either retrospectively to each prior reporting period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ('the full retrospective method') or retrospectively with the cumulative effect of initially applying the standard recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application without restating comparative information ('the cumulative catch-up transition method').

As of the date of initial application (i.e. of July 01, 2019), the Company measured the right-of use asset and the related lease liability (arising from its rights under lease arrangements existing as of that date) as follows:

(a) As permitted under paragraph C8(b) of IFRS 16, the Company measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of related prepaid lease payments recognized in its statement of financial position as on June 30, 2019.

(b) The Company measured the lease liability at the present value of the remaining lease payments, discounted using its aforementioned incremental borrowing rate of 8.89% per annum as of July 01, 2019.

Accounting Policy With Respect To Subsequent Measurement Of The Right-Of-Use Asset And The Corresponding Lease Liability

Right -of-use asset

After the commencement date, the Company measures the right-of-use asset applying a cost model whereby the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the lease transfers ownership of the that the Company will exercise a purchase option in which case the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

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Lease liability

After the commencement date, the Company measures the lease liability by:

(a) increasing the carrying amount to reflect interest on the lease liability;

(b) reducing the carrying amount to reflect the lease payments made; and

(c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

4 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

Owned

Property and equipment (except for office premises) are stated at cost less accumulated depreciation and impairment losses, if any. Office premises are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation is charged to profit and loss account by applying the reducing balance method systematically on yearly basis at the rates specified in note 10. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off. Surplus on revaluation of property and equipment is credited to surplus on revaluation of fixed assets account. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation of fixed assets - net of deferred tax is transferred directly to equity.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognised in the profit and loss account.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in profit and loss account for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

Leased

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of the leases are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets by applying straight line method systematically on yearly basis at the rates specified in note 10.

4.2 Intangible assets

This represents Trading Right Entitlement Certificate of Pakistan Stock Exchange.

TRE Certificate is considered to have indefinite useful life and stated at revalued amount. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and when carrying value exceeds estimated recoverable amount, these are written to their estimated recoverable amount.

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4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset, i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized as part of cost of that asset. All other borrowing costs are charged to income in the period in which they are incurred.

4.4 Financial assets

4.4.1 Classification and initial measurement

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

(a) financial assets measured at amortized cost.

(b) fair value through other comprehensive income (FVOCI);

(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

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

(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.

Such financial assets are initially measured at fair value.

4.4.2 Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) *Financial assets at FVOCI*

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

A gain or loss on a financial asset measured at fair value through other comprehensive income 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 (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

(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 profit and loss account.

4.4.3 Impairment

The Comapany's only financial asset that is subject to the impairment requirements of IFRS 9 is trade receivables.

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company measures expected credit losses on trade receivables 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 and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

5.5.4 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 Modaraba has transferred substantially all risks and rewards of ownership.

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 and loss account.

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 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

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4.7 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.8 Trade debts

Trade and other receivables are recognized at fair value and subsequently measured at amortised cost less Impairment losses, if any.Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade and other receivables considered irrecvoacble are written off.

4.10 Taxation

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognised for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.11 Revenue recognition

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

- Brokerage income is recognized as and when such services are provided.
- Interest income is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.

-Unrealized capital Gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit and loss account for the period in which they arise.

4.12 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

4.13 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.14 Creditors, accrued and other liabilities

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

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4.15 Dividend

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

4.16 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

4.17 Earning per share

Earning per share is calculated by dividing the profit after taxation for the year by the weighted average number of shares outstanding during the year.

4.18 Impact of COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and factories have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. However, the impact varies from industry to industry in different jurisdictions. Based on management's assessment and measures taken by Government to support the industry in which the Company operates, COVID-19 does not have a significant impact on the Company and supports the appropriateness of its going concern assumption.

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5.

Particulars	Cost: As at July 01, 2019	Cost: Additions	Cost: Disposal	Cost: As at Jun 30, 2020	Rate %	Depreciation: As at July 01, 2019	Depreciation: For the year	Depreciation: Disposal	Depreciation: As at Jun 30, 2020	W.D.V.: As at June 30, 2020
	Rupees					Rupees				
Motor Vehicle	2,727,225	-	(2,727,225)	-	15%	1,791,590	128,650	(1,920,240)	-	-
Furniture and Fixture	163,773	-	-	163,773	15%	147,077	2,505	-	149,581	14,192
Computer equipment	566,094	125,876	-	691,970	30%	562,795	38,753	-	601,547	90,423
Office equipment	194,475	78,515	-	272,990	30%	184,552	26,531	-	211,083	61,907
Room No.623 in KSE building	6,525,000	-	-	6,525,000	10%	2,243,948	428,105	-	2,672,053	3,852,947
JUNE 30, 2020	10,176,567	204,391	-	7,653,733		4,929,961	624,544	(1,920,240)	3,634,264	4,019,469
JUNE 30, 2019	10,176,567	-	-	10,176,567		4,280,563	649,398		4,929,961	5,246,607

	Note	2020 (Rupees)	2019 (Rupees)
6. INTANGBLE ASSETS			
PMEX		250,000	250,000
Trading right entitlement certificate	6.1	2,500,000	2,500,000
		2,750,000	2,750,000

6.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once the company intending to carry out shares brokerage business in the manner to be prescribed.

	Note	2020 (Rupees)	2019 (Rupees)
7. LONG TERM INVESTMENT			
Investment in shares of Pakistan Stock Exchange	7.1	-	14,055,522
8. LONG-TERM DEPOSITS			
Pakistan Stock Exchange Limited - Deposits		200,000	1,350,000
Central Depository Company - Deposits		100,000	100,000
Other deposits		1,023,640	586,596
PMEX Membership Deposit		750,000	750,000
National Clearing Company Pakistan Limited - Deposits		1,200,000	1,200,000
		3,273,640	3,986,596
9. TRADE DEBTS			
Trade debts- client		16,422,905	9,108,712
less: Loss allowance		-	-
		16,422,905	9,108,712
10. SHORT TERM INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT			
Investment in quoted securities	10.1.	18,016,062	7,006,645

10.1 Investment in various equity shares carried at market value.

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	2020 (Rupees)	2019 (Rupees)
11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees	454,485	-
Other Advances	-	1,025,063
Exposure Deposit	138,884	702,570
	593,369	1,727,633

12. CASH AND BANK BALANCES

	2020 (Rupees)	2019 (Rupees)
Cash in hand	1,726,000	100
Cash at bank - Current	91,756	591,249
	1,817,757	591,349

13. SHARE CAPITAL

13.1 AUTHORIZED SHARE CAPITAL

2020 Number of Shares	2019 Number of Shares		2020 (Rupees)	2019 (Rupees)
3,500,000	3,500,000	ordinary shares of Rs. 10 each	35,000,000	35,000,000

13.2 ISSUED SUBSCRIBED AND PAID-UP

2020 Number of Shares	2019 Number of Shares		2020 (Rupees)	2019 (Rupees)
3,500,000	3,500,000	Ordinary shares of Rs. 10 each fully paid in cash	35,000,000	35,000,000

14. TRADE AND OTHER PAYABLE

	2020 (Rupees)	2019 (Rupees)
Trade creditors	84,938	142,989
Accrued expense	1,000,775	619,155
Dealer commission payable	-	53,526
Tax Payable	37,599	15,210
Other payable	-	221,633
Loan from director	-	1,309,500
	1,123,312	2,362,013
14.1 Credit balances of clients held by the company	84,938	142,989

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	2020 (Rupees)	2019 (Rupees)
15. SHORT TERM RUNNING FINANCE		
Running Finance from Bank	23,054,675	8,732,552

The Company has obtained running finance facilities under markup arrangement of Rs 80 million (2019: 80 million) from various banks under markup arrangement ranging from 1 month to 3 month KIBO plus 250 basis points. The arrangement are secured against pledge shares and mortgage of office building.

16. CONTINGENCIES AND COMMITMENTS	16.1	-	-

16.1 There were no contingencies and commitments as at 30th June 2020 (2019: Nil)

17. REVENUE FROM CONTRACT WITH CUSTOMERS		
Brokerage income	1,186,389	1,624,396

	2020 (Rupees)	2019 (Rupees)
18. OPERATING AND OTHER EXPENSES		
Salaries, Allowances and other benefits	1,204,500	2,994,473
Utilities	185,348	299,131
Audit fee	418,000	128,360
Legal and Professional	-	166,165
fee and subscription	297,147	-
Transaction charges	214,144	270,958
IT charges and other related office expenses	407,829	228,826
Printing and stationery	46,298	24,260
Insurance	24,807	29,575
Depreciation	624,544	649,398
Bad Debt Expense	-	17,007,693
Donations	-	-
Entertainment	58,461	114,770
Others	50,000	-
Miscellaneous expenses	126,286	203,365
	3,657,364	22,116,974
19. FINANCIAL CHARGES		
Markup Charges	2,324,925	1,471;628
Bank charges	258,677	76,615
	2,583,602	1,548,243
20. OTHER INCOME		
Gain on disposal of property and equipment	918,015	-
profit on retention money	-	1,446
Other income	532,139	741,828
Profit on Exposure	-	313,989
Dividend income	565,923	572,082
	2,016,076	1,629,345
21. TAXATION		
- Current year	102,684	106,174
- Deferred	-	-
	102,684	106,174

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		2020 (Rupees)	2019 (Rupees)
22.	(LOSS) PER SHARE - *Basic and diluted*	(7,415,278)	(30,925,401)
	Weighted average number of ordinary shares	3,500,000	3,500,000
	(Loss) per share	(2.12)	(8.84)

23. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

23.1 Financial instrument by category

23.1.1 Financial assets

	Jun-20			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	-	3,273,640	3,273,640
Investment at fair value through OCI	-	-	-	-
Investment at fair value through P&L	18,016,062	-	-	18,016,062
Trade debts		-	16,422,905	16,422,905
Advances, deposits, prepayments	-	-	593,369	593,369
Bank balances	-	-	1,817,757	1,817,757
	18,016,062	-	22,107,671	40,123,733

	Jun-19			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	-	3,986,596	3,986,596
Investment at fair value through OCI	-	14,055,522	-	14,055,522
Investment at fair value through P&L	7,006,645	-	-	7,006,645
Trade debts		-	9,108,712	9,108,712
Advances, deposits, prepayments and other receivables	-	-	1,727,633	1,727,633
Bank balances	-	-	591,349	591,349
	7,006,645	14,055,522	15,414,290	36,476,457

23.1.2 Financial Liabilities at Amortized Cost

	2020 (Rupees)	2019 (Rupees)
Short term running finance	23,054,675	8,732,552
Trade and other Payables	1,123,312	2,362,013
	24,177,987	11,094,565

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23.2 Financial risk management

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidty risk
Market risk
Operational risk

23.2.1 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 in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments,loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.The company did not allow credits to its customers and trade are executed on 100% margin.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company doesnot expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2020 *Rupees*	2019 *Rupees*
Long term deposits	3,273,640	3,986,596
Investment at Fair Value through OCI	-	14,055,522
Investment at Fair Value through P&I	18,016,062	7,006,645
Advnaces, deposits, prepayments and other receivable	138,884	1,727,633
Trade debts	16,422,905	9,108,712
Bank Balances	91,756	591,249
	37,943,247	36,476,357

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23.2.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficent cash and marketable securities, the availablity of funding to an adequate amount of committed credit facililities and the ability to close out market positions due to dynamic nature of business.

	2020			
	carrying	contractual	up to one year	one to two
Financial Llabilities				
Short term running	23,054,675	8,732,552	8,732,552	
Trade and other	1,123,312	1,123,312	1,123,312	-
	24,177,987	9,855,864	9,855,864	

	2019			
	carrying amount	contractual cash flows	up to one year	one to two years
Financial Liabilities				
Short term running finance	8,732,552	8,732,552	8,732,552	
Trade and other payables	2,362,013	2,362,013	2,362,013	-
	11,094,565	11,094,565	11,094,565	

On the balance sheet date, the company has cash and bank balances of Rs.1.8 million (2019: Rs.0.5 million) and short term investments of Rs.18 million (2019: 7 million) for repayment of liabilities

23.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market intrest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices(other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial insturment or its issuer, or factor affecting all or similar financial instrument traded in the market.

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The company's listed securities are susceptible to market price risk arising from uncertainities about the future value of investment securities. The company manages the equity price through diversification and all instruments are made thorugh surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

23.3 Capital risk management

The primary objective of the company's capital risk management is to maintain healthy capital ratios, strong credit rating and optimal capital strucuture in order to ensure ample avilability of finance for its exsisting operations, for maxmizing sharholder's value, for tapping potential investment opporitunites and to reduce cost of capital.

The company finances its operations through 100% equity with a view to maintain an appropriate mix between various sources of finance to minimise risk.

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

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

Remuneration to Directors	-	3,308,570
	-	3,308,570
Number of director	-	2

25 CAPITAL ADEQUACY LEVEL

	2020	2019
Total Assets	50,021,299	47,596,737
Less: Total Liabilities	(24,177,987)	(11,094,565)
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	25,843,312	36,502,172

while determining the value of total assets of the TREC holder, notional value of TRE certificate held by the company as at 30th June 2020, as determined by PSX has been comsidered.

25.1 Net capital balance of company

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

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

25.2 Liquid Capital of company

Attached

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25.1 NET CAPITAL BALANCE AS AT JUNE 30, 2020

DESCRIPTION	VALUATION BASIS	VALUE (Amount in Rupees)	
CURRENT ASSETS			
Cash in hand	As per book value	1,726,000	
Cash at bank:			
- Pertaining to brokerage house	As per book value	85,132	
- Pertaining to clients	As per book value	6,625	
- Deposit against exposure and losses with Pakistan Stock Exchange		-	
Total bank balances	As per book value		1,817,757
Trade Receivable	Book Value	16,422,905	
	Less: overdue for more than 14 days	(12,709,246)	3,713,659
Investment in Listed Securities in the name of broker	Market value	6,586,898	
	Less: 15% discount	(988,035)	5,598,863
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	4,739,438	4,739,438
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value		
	Less: 10% discount	-	-
Federal Investment Bonds	Market value	-	
	Less: 5% discount	-	-
Treasury bills	Market value		-
			15,869,716
CURRENT LIABILITIES			
Trade Payable	Book value	84,938	
	Less: Overdue for more than 30 days	(83,271)	1,667
Other liabilities	As classified under the generally accepted accounting principles.		24,093,049
Overdue for more than 30 days			83,271
			24,177,987
NET CAPITAL AS AT JUNE 30, 2020			(8,308,271

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25.2 Computation of Liquid Capital
As on June 30, 2020

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	4,019,469	100.00%	-
1.2	Intangible Assets	2,750,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:	-	0.00%	-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	6,586,898	3,057,646	3,529,252
	ii. If unlisted, 100% of carrying value.		100.00%	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.		-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)		100.00%	-
1.6	Investment in subsidiaries		100.00%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	-	100.00%	-
1.9	Margin deposits with exchange and clearing house.		-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-
1.11	Other deposits and prepayments		100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)		-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (*Securities purchased under repo arrangement shall not be included in the investments.*)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	-	-	
	ii. Receivables other than trade receivables	-	100.00%	-
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.	-	100,000	-
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. Lower of net balance sheet value or value determined through adjustments.*	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. *ii. Net amount after deducting haircut*	-	5.00%	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haricut*	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	3,281,809	-	3,281,809
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. *v. Lower of net balance sheet value or value determined through adjustments*	10,108,364	4,825,168	5,283,196
	vi. 100% haircut in the case of amount receivable form related parties.	3,032,733	100.00%	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietory accounts	85,132	-	85,132
	ii. Bank balance-customer accounts	6,625	-	6,625
	iii. Cash in hand	1,726,000	-	1,726,000
1.19	Total Assets	31,597,029		13,912,013

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2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	84,938	-	84,938
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	1,000,775	-	1,000,775
	iii. Short-term borrowings	23,054,675	-	23,054,675
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	37,599	-	37,599
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	-	-	-
2.4	Subordinated Loans	-	-	-
	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: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	Total Liabilities	24,177,987		24,177,987
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 issues : 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 issues 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	-	-	-

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3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short sell positions**			
	i. Incase 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. Incase of proprietory 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**	-	-	-

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	13,912,013
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(24,177,987)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	(10,265,974)

Note: Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification,

N2M

26 NUMBER OF EMPLOYEES

	----Number----	
Total number of employees at 30th June	5	7
Average number of employees during the year	7	7

27 GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

28 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 28-10-2020 by the Board of Directors of the company.

NZM

Chief Executive

Director

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