AKHAI SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021

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, 2021, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss,statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

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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.

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 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)

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Dated :
Karachi :

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 *(Rupees)*	2020 *(Rupees)*
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	3,596,847	4,019,469
Intangible assets	6	2,750,000	2,750,000
Long term deposits	7	2,935,440	3,273,640
		9,282,287	10,043,109
CURRENT ASSETS			
Trade debts	8	49,798,992	16,422,905
Short term investments	9	55,252,989	18,016,062
Loan to related parties	10	3,053,500	-
Advances, deposits, prepayments and other receivables	11	1,435,086	593,369
Advance tax - net of provision		2,983,664	3,128,097
Cash and bank balances	12	2,615,694	1,817,757
		115,139,925	39,978,190
		124,422,212	50,021,299
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	13	45,000,000	35,000,000
Issued, subscribed and paid-up capital	13	45,000,000	35,000,000
Surplus - Investment at fair value through other comprehensive income		-	-
Unappropriated profit/(loss)		24,366,085	(9,156,688)
		69,366,085	25,843,312
CURRENT LIABILITIES			
Trade and other payable	14	1,288,441	1,123,312
Short term running finance	15	53,767,687	23,054,675
		55,056,128	24,177,987
		124,422,212	50,021,299
Contingencies and commitments	16	-	-

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

Chief Executive **Director**

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
Operating revenue	17	2,099,654	1,186,389
Capital (loss) on sale of investments		(1,138,094)	(19,948)
Gain / (Loss) on re-measurement of investments carried at fair value through profit or loss		38,375,021	(4,254,146)
		39,336,581	(3,087,705)
Operating and administrative expenses	18	(4,463,558)	(3,657,364)
		34,873,023	(6,745,068)
Finance costs	19	(2,225,463)	(2,583,602)
Other income	20	1,066,715	2,016,076
PROFIT / (LOSS) BEFORE TAXATION		33,714,275	(7,312,594)
Taxation	21	(191,502)	(102,684)
PROFIT / (LOSS) FOR THE YEAR		33,522,773	(7,415,278)
Earning / (loss) per share - basic and diluted	22	8.1	(2.1)

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

Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021 *(Rupees)*	2020 *(Rupees)*
Profit/(Loss) for the year	33,522,773	(7,415,278)
Other comprehensive income:		
(Loss) on revaluation of investments at fair value through other comprehensive income	-	(3,243,582)
TOTAL COMPREHENSIVE INCOME / (LOSS)	33,522,773	(10,658,860)

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

Chief Executive **Director**

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/(Deficit) on Investment at FVTOCI	Total
	----------Rupees----------			
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**	**(9,156,688)**	**-**	**25,843,312**
Net profit for the year		**33,522,773**		**33,522,773**
Balance as at June 30, 2021	**35,000,000**	**24,366,085**	**-**	**59,366,085**

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

Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2021

	2021 (Rupees)	2020 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	33,714,275	(7,312,594)
Adjustment for non-cash items:		
Depreciation	437,622	624,544
Gain on disposal of property and equipment	-	(918,015)
Capital loss	1,138,094	19,948
Capital (gain)/loss - on investment at fair value through P&L	(38,375,021)	4,254,146
Capital (gain) on investment at fair value through OCI	-	(3,243,582)
Dividend income	(1,066,715)	(565,923)
Finance costs	2,225,463	2,583,602
Operating profit before working capital changes	(35,640,556)	2,754,720
Changes in working capital		
(Increase) in trade debts	(33,376,087)	(7,314,193)
(Increase)/Decrease in advances, deposits and prepayments	(841,717)	1,134,264
Increase/(Decrease) in trade and other payable	165,129	(1,238,701)
Net changes in working capital	(34,052,674)	(7,418,630)
Finance cost paid	(2,225,463)	(2,583,602)
Taxes paid	(47,069)	(107,108)
Net cash (used in) from operating activities	(38,251,489)	(14,667,215)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	-	1,725,000
Purchase of property and equipment	(15,000)	-
Decrease in long term deposits	338,200	712,956
Purchase of investments - net	-	(1,432,380)
Loan disbursed to related parties	(3,053,500)	-
Dividend received	1,066,715	565,923
Net cash generated from investing activities	(1,663,585)	1,571,499
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	10,000,000	-
Short term running finance	30,713,012	14,322,123
Net cash generated from financing activities	40,713,012	14,322,123
Net increase in cash and cash equivalent	797,938	1,226,408
Cash and cash equivalents at beginning of the year	1,817,757	591,348
Cash and cash equivalents at end of the year	2,615,694	1,817,757

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

Chief Executive

Director

AKHAI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 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 located 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 4.1)

(b) Intangibles (note 4.2)

(c) Trade debts (note 4.8)

(d) Financial assets (note 4.4)

(e) Current tax and deferred tax (note 4.1)

(f) Provisions (note 4.13)

3 Changes in accounting standards, interpretations and pronouncements

Standards and amendments to approved accounting standards that became effective during the current year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Standard, Amendment or Interpretation

IFRS 3	Business Combinations - Definition of a Business (Amendments)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments)
IAS 1 and IAS 8	Definition of Material (Amendments)
IFRS 16	Related Rent Concessions (Amendments)

Standard and amendments to approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

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.

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.

4.4.4 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.

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.

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.

5. PROPERTY AND EQUIPMENT

Particulars	Cost				Rate %	Depreciation				W.D.V.
	As at July 01, 2020	Additions	Disposal	As at Jun 30, 2021		As at July 01, 2020	For the year	Disposal	As at Jun 30, 2021	As at June 30, 2021
	----Rupees----					----Rupees----				
Motor Vehicle	-			-	15%	-	-		-	-
Furniture and Fixture	163,773			163,773	15%	149,581	2,129		151,710	12,064
Computer equipment	691,970	15,000		706,970	30%	601,547	31,627		633,174	73,796
Office equipment	272,990			272,990	30%	211,083	18,572		229,655	43,335
Room No.623 in KSE building	6,525,000			6,525,000	10%	2,672,053	385,295		3,057,347	3,467,653
JUNE 30, 2021	7,653,733	15,000	-	7,668,733		3,634,264	437,622	-	4,071,887	3,596,847
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

		2021 (Rupees)	2020 (Rupees)
6. INTANGBLE ASSETS			
PMEX		250,000	250,000
Trading right entitlement certificate	5.1	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.

	2021	2020
7. LONG-TERM DEPOSITS		
Pakistan Stock Exchange Limited - Deposits	200,000	200,000
Central Depository Company - Deposits	100,000	100,000
Other deposits	505,440	1,023,640
PMEX Membership Deposit	750,000	750,000
National Clearing Company Pakistan Limited - Deposits	1,200,000	1,200,000
Base minimun deposit	180,000	-
	2,935,440	3,273,640
8. TRADE DEBTS		
Trade debts- client	49,798,992	16,422,905
less: Loss allowance for doubtful debt	-	-
	49,798,992	16,422,905

9. SHORT TERM INVESTMENTS - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

		2021	2020
Investments in quoted securities	9.1.	55,252,989	18,016,062

9.1 Investment in various equity shares carried at market value.

	2021 (Rupees)	2020 (Rupees)
10. LOAN TO RELATED PARTIES		
Loan To Director - M. Abid Akhai	953,500	-
Loan To Director - M. Aslam Akhai	2,100,000	-
	3,053,500	-

10.1 This represents interest free loan provided to directors during the year.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	2021 (Rupees)	2020 (Rupees)
Advances to employees	-	454,485
Advances to directors	463,410	-
Retained profit reversal collection	316,546	-
Exposure Deposit	655,129	138,884
	1,435,086	593,369

12. CASH AND BANK BALANCES	2021 (Rupees)	2020 (Rupees)
Cash in hand	1,753,701	1,726,000
Cash at bank - Current	861,994	91,756
	2,615,694	1,817,757

13. SHARE CAPITAL

13.1 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
Number of Shares			(Rupees)	(Rupees)
4,500,000	3,500,000	Ordinary shares of Rs. 10 each	45,000,000	35,000,000

13.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
Number of Shares			(Rupees)	(Rupees)
4,500,000	3,500,000	Ordinary shares of Rs. 10 each fully paid in cash	45,000,000	35,000,000

13.3 During the year, the Company issued 1,000,000 ordinary shares which were fully paid-up in cash.

14. TRADE AND OTHER PAYABLE	2021 (Rupees)	2020 (Rupees)
Trade creditors	443,597	84,938
Accrued expense	150,000	1,000,775
Dealer comission payable	8,187	-
Tax payable	130,159	37,599
CDC/NCCPL charges payable	556,498	-
	1,288,441	1,123,312

	2021 (Rupees)	2020 (Rupees)

15. SHORT TERM RUNNING FINANCE

Running Finance from Bank	53,767,687	23,054,675

The Company has obtained running finance facilities under markup arrangement of Rs 97 million (2020: 80 million) from various banks under markup arrangement ranging from KIBOR plus 2% to 2.5% (2020: 1 month to 3 month KIBOR plus 250) basis points. The arrangement are secured against pledge shares and mortagage of office building.

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30th June 2021 (2020: Nil)

17. OPERATING REVENUE

Brokerage income	2,099,654	1,186,389

18. OPERATING AND ADMINISTRATIVE EXPENSES

	2021 (Rupees)	2020 (Rupees)
Salaries, allowances and other benefits	1,263,904	1,204,500
Utilities	290,812	185,348
Audit fee	192,700	418,000
Legal and professional	50,000	-
Fee and subscription	200,761	297,147
Professional tax	450,000	-
Transaction charges	585,897	214,144
IT charges and other related office expenses	351,457	407,829
Travelling and conveyance	264,915	-
Repair and maintenance	21,200	-
Printing and stationery	19,090	46,298
Insurance	93,258	24,807
Depreciation	437,622	624,544
Entertainment	17,631	58,461
Others	-	50,000
Miscellaneous expenses	224,310	126,286
	4,463,558	3,657,364

19. FINANCE COSTS

Markup Charges	1,834,642	2,324,925
Bank charges	390,821	258,677
	2,225,463	2,583,602

20. OTHER INCOME

Gain on disposal of property and equipment	-	918,015
Dividend income	1,066,715	565,923
Other income	-	532,139
	1,066,715	2,016,076

21. TAXATION

- Current year	191,502	102,684
	191,502	102,684

		2021	2020
		(Rupees)	*(Rupees)*
22.	**EARNING / (LOSS) PER SHARE** - *Basic and diluted*	**33,672,773**	(7,415,278)
	Weighted average number of ordinary shares	**4,152,055**	3,500,000
	Earning / (loss) per share	**8.11**	(2.12)

23. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

23.1 Financial instrument by category

23.1.1 Financial assets

	Jun-20				Jun-21			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and	-	-	3,273,640	3,273,640	-	-	2,935,440	2,935,440
Investment at fair value thorugh OCI	-	-	-	-	-	-	-	-
Investment at fair value through P&L	18,016,062	-	-	18,016,062	55,252,989	-	-	55,252,989
Trade debts		-	16,422,905	16,422,905	-	-	49,798,992	49,798,992
Advances, deposits, prepayments	-	-	593,369	593,369	-	-	1,435,086	1,435,086
Bank balances	-	-	91,756	91,756	-	-	861,994	861,994
	18,016,062	-	20,381,670	38,397,732	55,252,989	-	55,031,511	110,284,500

23.1.2 Financial Liabilities at Amortized Cost

	2021	2020
Short term running finance	**53,767,687**	23,054,675
Trade and other payables	**1,138,441**	1,123,312
	54,906,129	24,177,987

23.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degress of risk.
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:

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 does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2021 *Rupees*	2020 *Rupees*
Long term deposits	2,935,440	3,273,640
Investment at Fair Value through P&I	55,252,989	18,016,062
Advnaces, deposits, prepayments and other receivable	655,129	138,884
Trade debts	49,798,992	16,422,905
Bank Balances	861,994	91,756
	109,504,544	37,943,247

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.

	2021			
Financial Liabilities	carrying amount	contractual cash flows	up to one year	one to two years
Short term running finance	53,767,687	53,767,687	53,767,687	-
Trade and other payables	1,138,441	1,138,441	1,138,441	-
	54,906,129	54,906,129	54,906,129	

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

On the balance sheet date, the company has cash and bank balances of Rs. 2.6 million (2020: Rs.1.8 million) and short term investments of Rs. 55 million (2020: 18 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.

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 REMUNERATION TO THE CHIEF EXECUTIVE AND DIRECTOR

	Chief Executive 2021	Director 2021	Chief Executive 2020	Director 2020
	(Rupees)			
Managerial remuneration	624,000	624,000	624,000	624,000
Bonus	-	-	-	-
	624,000	624,000	624,000	624,000
Number of persons	1	1	1	1

25 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:

	2021 (Rupees)	2020 (Rupees)
Transactions with related parties		
Loan provided to related parties - directors	3,053,500	-
Balances with related parties		
Loan to related parties - directors	75,161,735	-

26 CAPITAL ADEQUACY LEVEL

	2021	2020
Total Assets	124,422,212	50,021,299
Less: Total Liabilities	(54,906,128)	(24,177,987)
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	69,516,084	25,843,312

While determining the value of total assets of the TREC holder, notional value of TRE certificate held by the company as at 30th June 2021, as determined by PSX has been considered.

26.1 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;

26.1 NET CAPITAL BALANCE AS AT JUNE 30, 2021

DESCRIPTION	VALUATION BASIS	VALUE (Amount In Rupees)	
CURRENT ASSETS			
Cash in hand	As per book value	1,753,701	
Cash at bank:			
- Pertaining to brokerage house	As per book value	861,994	
- Pertaining to clients	As per book value	493,197	
- Deposit against exposure and losses with Pakistan Stock Exchange		655,129	
Total bank balances	As per book value		3,764,021
Trade Receivable			
	Book Value	28,742,311	
	Less: overdue for more than 14 days	(13,148,327)	15,593,984
Investment in Listed Securities in the name of broker			
	Market value	51,349,890	
	Less: 15% discount	(7,702,483)	43,647,406
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	16,286,210	16,286,210
Listed Term Finance Certificates/Corporate Bonds	Market value	-	
(Not less than BBB grade)	Less: 10% discount	-	-
Federal Investment Bonds	Market value	-	
	Less: 5% discount	-	-
Treasury bills	Market value		-
			79,291,621
CURRENT LIABILITIES			
Trade Payable	Book value	443,597	
	Less: Overdue for more than 30 days	(279,432)	164,165
Other liabilities	As classified under the generally accepted accounting principles.		54,612,531
Overdue for more than 30 days			279,432
			55,056,128
NET CAPITAL AS AT JUNE 30, 2021			24,235,494

26.2 Computation of Liquid Capital
As on June 30, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.	**Assets**			
1.1	Property & Equipment	3,596,847	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.	51,349,890	8,945,884	42,404,006
	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.	2,935,440	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		-	-
1.12			100.00%	-
	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 receivalbes 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***		-	-
	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***	37,846,998	4,825,168	33,021,830
	vi. 100% haircut in the case of amount receivable form related parties.	11,951,994	100.00%	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietory accounts	861,994	-	861,994
	ii. Bank balance-customer accounts	493,197	-	493,197
	iii. Cash in hand	1,753,701	-	1,753,701
1.19	**Total Assets**	**113,540,060**		**78,534,727**

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	443,597	-	443,597
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	150,000	-	150,000
	iii. Short-term borrowings	53,767,687	-	53,767,687
	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	694,843	-	694,843
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial instituion: 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. Boad 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 Liabilites**	55,056,128		55,056,128
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 securites 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 securites 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 issuse 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 cuurency 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 securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Concentrated proprietary positions			
3.8	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	162,548	-	162,548
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong 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. 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 Liabilites**	162,548	-	162,548

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	78,534,727
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(55,056,128)
(iii) Less: Total ranking liabilities (series number 3.11)	162,548
	23,641,148

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

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		2021	2020
		----Number----	
27	**NUMBER OF EMPLOYEES**		
	Total number of employees at 30th June	**6**	7

28 GENERAL

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

29 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on ____________________ by the Board of Directors of the company.

Chief Executive

Director

Scanned with CamScanner