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INDEPENDENT AUDITORS' REPORT

To the members of Friendly Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss, total 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: 05 OCT 2021

Friendly Securities (Private) Limited

Statement of Financial Position

As at June 30, 2021

	Note	2021	2020
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	*4*	**2,339,689**	485,810
Intangible assets	*5*	**2,750,000**	2,750,000
Long term deposits	*6*	**4,754,300**	4,854,300
		9,843,989	8,090,110
Current assets			
Short term investment	*7*	**36,952,591**	-
Trade debts	*8*	**9,052,697**	63,506,144
Receivable against margin financing	*9*	**12,989,256**	-
Taxation-net		**6,129,583**	6,295,378
Loan, deposits and other receivables	*10*	**26,608,474**	682,427
Cash and bank balances	*11*	**40,193,520**	61,466,721
		131,926,121	131,950,670
Total assets		**141,770,110**	140,040,780
EQUITIES AND LIABILITIES			
Capital and reserve			
Authorized capital			
7,500,000 (2020: 7,500,000) ordinary shares of Rs. 10/ each		**75,000,000**	75,000,000
Issued, subscribed and paid up capital	*12*	**75,000,000**	75,000,000
Unappropriated profit		**2,156,755**	35,482,238
		77,156,755	110,482,238
Current liabilities			
Trade and other payables	*13*	**44,345,558**	29,532,628
Accrued markup		-	25,914
Short term borrowing	*14*	**20,267,797**	-
		64,613,355	29,558,542
Contingencies and Commitment	*15*	-	-
Total equities and liabilities		**141,770,110**	140,040,780

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

CHIEF EXECUTIVE

DIRECTOR

Friendly Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021	2020
		Rupees	
Operating revenue	*16*	**40,957,969**	12,739,094
Capital (loss) / gain on disposal of investments		**(58,597,698)**	8,972,379
Unrealized loss on remeasurement of investments at fair value through profit or loss		**(11,004,778)**	(3,136,431)
		(69,602,476)	5,835,948
		(28,644,507)	18,575,042
Administrative expenses	*17*	**(14,630,554)**	(6,833,398)
Operating (loss) / income		**(43,275,061)**	11,741,644
Finance cost	*18*	**(1,076,435)**	(853,086)
Other income	*19*	**11,789,758**	5,346,518
(Loss) / profit before taxation		**(32,561,738)**	16,235,076
Taxation	*20*	**(763,745)**	(2,636,543)
(Loss) / profit after taxation		**(33,325,483)**	13,598,533

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

CHIEF EXECUTIVE

DIRECTOR

Friendly Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	Rupees	
(Loss) / profit after taxation	**(33,325,483)**	13,598,533
Other comprehensive (loss) / income		
Items that will not be subsequently be reclassified to profit or loss	-	-
Total comprehensive (loss) / income for the year	(33,325,483)	13,598,533

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

CHIEF EXECUTIVE

DIRECTOR

Friendly Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2021

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	-------------------------	Rupees	---------------------------
Balance as at July 01, 2019	75,000,000	21,883,705	96,883,705
Profit after taxation	-	13,598,533	13,598,533
Balance as at June 30, 2020	**75,000,000**	**35,482,238**	**110,482,238**
Loss after taxation		**(33,325,483)**	**(33,325,483)**
Balance as at June 30, 2021	**75,000,000**	**2,156,755**	**77,156,755**

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

CHIEF EXECUTIVE

DIRECTOR

Friendly Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2021

	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		Rupees	
(Loss) / profit before taxation		**(32,561,738)**	16,235,076
Adjustment for non-cash items			
- Depreciation		**256,581**	153,279
- Capital loss / (gain) on sale of investment		**58,597,698**	(8,972,379)
- Unrealized loss on remeasurement of investment at fair value through profit or loss		**11,004,778**	3,136,431
- Finance cost		**1,076,435**	853,086
		70,935,492	(4,829,583)
		38,373,754	11,405,493
Changes in working capital			
(Increase) / decrease in current assets			
- Trade debts		**54,453,447**	(56,165,715)
-'Purchase / sale of investments - net		**(106,555,067)**	83,509,960
- Receivable against margin financing		**(12,989,256)**	-
- Advances, deposits and other receivables		**(25,926,047)**	334,826
Increase /(decrease) in current liabilities			
- Trade and other payables		**14,812,930**	25,120,671
		(76,203,993)	52,799,742
Cash flow from operating activities		**(37,830,239)**	64,205,235
Long term deposit		**100,000**	-
Finance cost paid		**(1,102,349)**	(3,395,544)
Income tax paid		**(597,950)**	(595,562)
Net cash (used in) / generated from operating activities		**(39,430,538)**	60,214,129
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property & equipment		**(2,110,460)**	(116,415)
Net cash used in investing activities		**(2,110,460)**	(116,415)
Net (decrease) / increase in cash and cash equivalents		**(41,540,998)**	60,097,714
Cash and cash equivalents at beginning of the year		**61,466,721**	1,369,006
Cash and cash equivalents at end of the year	*21*	**19,925,723**	61,466,721

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

CHIEF EXECUTIVE

DIRECTOR

1 STATUS AND ACTIVITIES

1.1 Friendly Securities (Private) Limited (the Company) is a private limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act') on November 20, 2000. The registered office of the Company is situated at office no 128-129, Third Floor, Pakistan Stock Exchange Building, Karachi. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited and is engaged in the business of stock brokerage and investment. The Company has also acquired the membership of Pakistan Mercantile Exchange Limited.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of, and directives issued under, the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for short term investments which are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

	Note
- Useful lives, residual values and depreciation methods of property and equipment	3.1
- Provision for taxation	3.8

2.5 New accounting pronouncements

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

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

2.5.2 *New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective*

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

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

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

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

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

a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and

c. there is no substantive change to the other terms and conditions of the lease.

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

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these financial statements.

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

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

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

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

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

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

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

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

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

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

    - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

    - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

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

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

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2021 did not require any adjustment.

3.2 Intangible assets

Trading Rights Entitlement (TRE) Certificate

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

3.3 Financial instruments

3.3.1 *Initial recognition, classification and measurement*

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

Regular way purchase of investments are recognized using settlement date accounting.

The Company classifies its financial assets into either of 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 it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

3.3.2 *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 statement of profit or loss.

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.3.3 *Impairment*

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

For trade debt, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Effect on profit before tax	
	100 bp increase	100 bp decrease
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instruments	(2,836)	2,836
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial instruments	(325,261)	325,261

(c) *Price risk*

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest / markup rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instrument traded in the market. The Company exposed to equity price risk since it has investments in quoted equity securities as at the reporting date. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Sensitivity analysis

The table below summarises the Company's equity price risk as at June 30, 2021 and shows the effect of a hypothetical 5% increase or decrease in market prices as at the reporting date. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenario. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in profit before tax
June 30, 2021	***Rupees***	**322,955,218**	**10% increase**	**355,250,740**	**32,295,522**
			10% decrease	**290,659,696**	**(32,295,522)**
June 30, 2020	*Rupees*	254,670,845	10% increase	280,137,930	25,467,085
			10% decrease	229,203,761	(25,467,085)

22.2 Fair value hierarchy

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Offsetting

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

3.9 Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liabilities

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

3.10 Operating revenue

Revenue from trading activities - brokerage commission

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

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

Dividend income

Dividends received from investments measured at fair value through profit or loss are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Mark up / interest income

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

4. PROPERTY AND EQUIPMENT

	Office and Booths	Furniture & fixture	Motor & Vehicle	Office Equipments	Computer	Total
			Rupees			
As at July 01, 2019						
Cost	2,620,468	3,210,519	33,500	416,771	3,063,153	9,250,361
Accumulated depreciation	(2,620,468)	(3,161,849)	(23,072)	(337,306)	(2,679,042)	(8,693,710)
Net book value	-	48,670	10,428	79,465	384,111	522,674
Movement during the year ended 30 June, 2020						
Opening net book value	-	48,670	10,428	79,465	384,111	522,674
Additions during the year	-	-	-	-	116,415	116,415
Depreciation for the year		(7,301)	(2,086)	(11,920)	(131,972)	(153,279)
Closing net book value	-	**41,369**	**8,342**	**67,545**	**368,554**	**485,810**
As at June 30, 2020						
Cost	**2,620,468**	**3,210,519**	**33,500**	**416,771**	**3,179,568**	**9,460,826**
Accumulated depreciation	**(2,620,468)**	**(3,169,150)**	**(25,158)**	**(349,226)**	**(2,811,014)**	**(8,975,016)**
Net book value	-	**41,369**	**8,342**	**67,545**	**368,554**	**485,810**
Movement during the year ended 30 June, 2021						
Opening net book value	-	**41,369**	**8,342**	**67,545**	**368,554**	**485,810**
Additions during the year	-	**1,380,000**	-	**75,800**	**654,660**	**2,110,460**
Depreciation for the year	-	**(25,487)**	**(1,668)**	**(20,311)**	**(209,115)**	**(256,581)**
Closing net book value	-	**1,395,882**	**6,674**	**123,034**	**814,099**	**2,339,689**
As at June 30, 2021						
Cost	2,620,468	4,590,519	33,500	492,571	3,834,228	11,571,286
Accumulated depreciation	(2,620,468)	(3,194,637)	(26,826)	(369,537)	(3,020,129)	(9,231,597)
Net book value	-	1,395,882	6,674	123,034	814,099	2,339,689
	5%	15%	20%	15%	30%	

5 INTANGIBLE ASSET

	Note	2021	2020
		Rupees	
Trading Right Entitlement Certificate - PSX	*5.1*	**2,500,000**	2,500,000
Pakistan Mercantile Exchange Limited	*5.2*	**250,000**	250,000
		2,750,000	2,750,000

5.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

5.1.1 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

5.2 This represent cost of membership card of Pakistan Mercantile Exchange Limited with indefinite useful life.

6 LONG TERM DEPOSITS

	2021	2020
	Rupees	
National Clearing Company of Pakistan Limited	**1,400,000**	1,500,000
Central Depository Company of Pakistan Limited	**100,000**	100,000
Pakistan Mercantile Exchange Limited	**750,000**	750,000
NCEL building management limited	**2,500,000**	2,500,000
Others	**4,300**	4,300
	4,754,300	4,854,300

7 SHORT TERM INVESTMENT

	2021	2020
Fair value through profit or loss		
Investment in quoted equity securities	**36,952,591**	-

No of Scrips			**Market Value**	
2020	**2021**	**Scrip name**	**2021**	**2020**
-	**35,000**	ATTOCK REFINERY LTD.	**8,975,750**	-
-	**40,000**	HABIB BANK LTD	**4,894,800**	-
-	**500**	HONDA ATLAS CARS (PAKISTAN) LTD.	**172,890**	-
-	**162,694**	OIL & GAS DEV.CO	**15,460,811**	-
-	**6,000**	PAK SUZUKI MOTOR CO. LTD.	**2,132,640**	-
-	**43,500**	UNITED BANK LTD	**5,315,700**	-
-	**287,694**		**36,952,591**	-

8 TRADE DEBTS

	2021	2020
	Rupees	
Considered good	**9,052,697**	63,506,144

8.1 This includes receivable from related parties amounting to Rs. 1.20 million (2020: Rs. 62.8 million). The maximum aggregate amount outstanding at any time during the year with reference to month-end balances is Rs.20.3 million (2020: Rs.219.5 million).

8.2 *Aging analysis*

	2021	2020
	Rupees	
Upto 90 days	**9,043,289**	56,982,989
More than 90 but upto 180 days	**9,408**	6,523,155
More than 180 but upto 360 days	-	-
More than 360 days	-	-
	9,052,697	63,506,144

15 CONTINGENCIES AND COMMITMENT

15.1 No material contingencies were known to exist as at reporting date (2020: None).

15.2 Bank guarantee issued by JS Bank Limited in favour of NCCPL amounted to Rs. 10 million (2020: Rs. 10 million).

16 OPERATING REVENUE

	Note	2021 Rupees	2020 Rupees
Commission income	*16.1*	**66,889,504**	15,655,194
Less: Commission expense		**(19,502,193)**	(3,589,524)
Less: Sales tax on services		**(7,708,459)**	(2,035,175)
		39,678,852	10,030,495
Dividend income		**1,123,749**	2,708,599
Subscription commission income		**155,368**	-
		40,957,969	12,739,094

16.1 This include commission earned from director.

17 ADMINISTRATIVE EXPENSES

	Note	2021	2020
Salaries, benefits and allowances		**2,623,100**	1,942,500
Director remuneration	*22*	**600,000**	200,000
PSX rent, Utility and Service charges		**4,480,432**	2,973,630
Printing and stationery		**46,703**	33,070
Fees and subscription		**1,096,253**	758,646
Software expenses		**2,500,123**	287,250
Traveling and conveyance expenses		**15,910**	13,200
Audit fees		**350,000**	300,000
Entertainment expense		**293,020**	98,675
Repair and maintenance		**624,000**	-
Miscellaneous expense		**844,432**	73,148
Donation		**900,000**	-
Depreciation	*4*	**256,581**	153,279
		14,630,554	6,833,398

18 FINANCE COST

	2021	2020
Markup on short term borrowing	**838,837**	615,381
Bank charges and commission	**237,598**	237,705
	1,076,435	853,086

19 OTHER INCOME

	2021	2020
Profit on margin deposit	**1,754,646**	1,175,607
CDC transaction and custodian fee	**7,787,703**	3,294,918
Markup on margin financing	**1,247,391**	-
Profit on PLS account	**1,000,018**	875,993
	11,789,758	5,346,518

20 TAXATION

	2021	2020
Current	**763,745**	2,636,543

20.1 Relationship of tax expense with accounting profit

The numerical reconciliation between tax expense and accounting profit has not been presented in these financial statements as the total income of the Company attracted the provisions of minimum tax and final tax of the Income Tax Ordinance, 2001.

20.2 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

21 CASH AND CASH EQUIVALENT

As at the reporting date , cash and cash equivalents comprise as follows:

	2021	2020
	Rupees	
Cash and bank balances	**40,193,520**	61,466,721
Short term borrowings	**(20,267,797)**	-
	19,925,723	61,466,721

22 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration to Chief executive and Director of the Company, are as follows:

	Chief executive		**Directors**		**Total**	
	2021	2020	**2021**	2020	**2021**	2020
			Rupees			
Managerial remuneration	-	100,000	**600,000**	100,000	**600,000**	200,000
Number of persons	**1**	1	**1**	1	**2**	2

22.1 During the year, no remuneration was paid to chief executive of the Company.

23 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, key management personnel and their close family members. Remuneration of the Chief Executive, Directors and executives as disclosed in note 22 to these financial

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

	2021	2020
	Rupees	
Key management personnel and close family members		
Receivable from director- Jawad Jano		
Outstanding at year end	1,206,186	-
Receivable / (payable) from / (to) director- Ms.Shehla Tariq		
Outstanding at year end	(183,675)	55,689,580
Receivable / (payable) from / (to) director-Tariq Jano		
Outstanding at year end	(13,364,809)	7,109,793

The Company did not charge any commission from Ms.Shela Tariq on trades carried out through the Company.

24 FINANCIAL INSTRUMENTS

24.1 Financial risk analysis

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

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

24.1.1 *Market risk*

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

i) Foreign currency risk

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

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own quoted investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 36.9 million (2020: Nil) and also because the Company held collaterals in the form of equity securities against their debtor balances.

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

Sensitivity analysis:

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

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) after tax
June 30, 2021	*Rupees*	36,952,591	10% increase	40,647,850	3,140,970	3,140,970
			10% decrease	33,257,332	(3,140,970)	(3,140,970)
June 30, 2020	*Rupees*	-	10% increase	-	-	-
			10% decrease	-	-	-

iii) Interest rate risk

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

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

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - *pls account*	5.5%	5.5%	40,126,561	28,756,399
Financial assets				
Short term borrowing - secured	9.34%-15.84%	-	20,267,797	-

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit after tax	
	increase	decrease
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instruments	**140,997**	**(140,997)**
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial instruments	204,170	(204,170)

24.1.2 *Credit risk*

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

Exposure to credit risk

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

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

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

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

	2021	2020
	Rupees	
Long term deposits	**4,754,300**	4,854,300
Trade debts	**9,052,697**	63,506,144
Receivable against margin financing	**12,989,256**	-
Short term loan, deposits and other receivables	**26,608,474**	682,427
Bank balances	**40,188,520**	61,461,721
	93,593,247	130,504,592

No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

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

Banks	**Short term rating**	**Credit rating agency**	**2021**	2020
			Rupees	
MCB Bank Limited	A-1+	PACRA	**20,049**	20,049
Bank Alfalah Limited	A-1+	PACRA	**34,460**	34,460
Summit Bank Limited	A-3	JCR-VIS	**7,450**	7,450
JS Bank Limited	A-1+	PACRA	**40,126,561**	61,399,762
			40,188,520	61,461,721

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

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

24.1.3 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business.

On the reporting date, the Company had bank balance amounting to Rs. 40.2 million (2020: Rs. 61.5 million) and liquid assets in the form of short term securities amounting to Rs. 36.9 million (2020: Rs.Nil).

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

	June 30, 2021						
	Carrying amount	Contractual cashflows	Six months or less	Six to twelve months		One to five years	More than five years
	amount	cash flows				year	
	(Rupees)						
Financial liabilities							
Trade and other payables	44,345,558	44,345,558	44,345,558	-		-	-
Short term borrowing	20,267,797	20,267,797	20,267,797	-		-	-
	64,613,355	64,613,355	64,613,355	-	-	-	-

	June 30, 2020						
	Carrying amount	Contractual cashflows	Six months or less	Six to twelve months		One to five years	More than five years
	amount	cash flows				year	
	(Rupees)						
Financial liabilities							
Trade and other payables	29,558,542	29,558,542	29,558,542	-		-	-
Accrued markup	25,914	25,914	25,914	-		-	-
	29,584,456	29,584,456	29,584,456	-	-	-	-

24.2 Financial instruments by categories

	June 30, 2021		
As at June 30, 2021 **Financial assets**	At fair value through profit or loss	At Amortized cost	Total
		Rupees	
Long term deposits	-	4,754,300	4,754,300
Short term investments	36,952,591	-	36,952,591
Trade debts	-	9,052,697	9,052,697
Receivable against margin financing	-	12,989,256	12,989,256
Short term loans, deposit and other receivables	-	26,608,474	26,608,474
Cash and bank balances	-	40,193,520	40,193,520
	36,952,591	93,598,247	130,550,838

As at June 30, 2021 **Financial liabilities**	Financial liabilities at amortized cost
	Rupees
Trade and other payables	44,345,558
Short term borrowing	20,267,797
	64,613,355

As at June 30, 2020 **Financial assets**	June 30, 2020 At fair value through profit or loss	 Amortized cost	 Total
	Rupees		
Long term deposits	-	4,854,300	4,854,300
Short term investments	-	-	-
Trade debts	-	63,506,144	63,506,144
Short term loans, deposit and other receivables	-	682,427	682,427
Cash and bank balances	-	61,466,721	61,466,721
	-	130,509,592	130,509,592

As at June 30, 2020 **Financial liabilities**	Financial liabilities at amortized cost
	Rupees
Trade and other payables	29,558,542
Accrued markup	25,914
	29,584,456

25 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2 : Valuation techniques based on observable inputs.

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

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

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

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	-----------------------Amount in	Rupees	------------------------	
Financial assets mesured at fair value				
Short term investments	36,952,591	-	-	36,952,591

June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
	-----------------------Amount in	Rupees	------------------------	
Financial assets mesured at fair value				
Short term investments	-	-	-	-

26 CAPITAL

26.1 Management of capital

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

26.2 The **Capital Adequacy Level** as defined by Central Depository Company (CDC) is calculated as follows;

		2021	2020
		Rupees	
Total assets	*26.2.1*	**141,770,110**	140,040,780
Less: Total liabilities		**(64,613,355)**	(29,558,542)
Less: revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level		77,156,755	110,482,238

26.2.1 While determining the value of the total assets, notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

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

DESCRIPTION	VALUATION	*Note*	RUPEES
CURRENT ASSETS			
Cash in hand or in bank	As per Book Value	*26.3.1(i)*	64,097,076
Trade Receivables	Book Value less overdue for more than 14 days	26.3.1(ii)	24,187,463
Investment in listed securities in the name of broker.	Securities on the exposure list marked to market less 15% discount	*26.3.1(iii)*	31,409,702
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within 14 days.	*26.3.1(iv)*	5,958
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	-	-
FIBs	Marked to market les 5% discount.	-	-
Treasury Bill	At market value	-	-
Any other current asset specified by the commission	As per the valuation basis determined by the commission	-	-
			119,700,199
CURRENT LIABILITIES			
Trade Payables	Book value less overdue for more than 30 days	*26.3.1(v)*	30,778,858
Other Liabilities	As classified under the generally accepted accounting principles	*26.3.1(vi)*	33,834,497
			64,613,355
Net Capital Balance as at June 30, 2021			**55,086,844**

26.3.1 Notes to the Net Capital Balance

		Rupees
(i)	**Cash and bank balances**	
	Exposure margin deposited to NCCPL	23,903,556
	Cash in hand	5,000
	Bank balance pertaining to clients	40,142,462
	Bank balance pertaining to brokerage house	46,058
		64,097,076
(ii)	**Trade receivables**	
	Gross value- Trade debts	9,052,697
	Gross value- Margin finnacing	12,989,256
		22,041,953
	Less: Overdue for more than 14 days	(9,408)
		22,032,545
	Balance against unsettled trade	2,154,918
		24,187,463
(iii)	**Investment in Listed Securities in the name of broker**	
	Securities marked to market	36,952,591
	Less 15% discount	(5,542,889)
		31,409,702
(iv)	**Securities purchased for client**	
	Overdue balance for more than 14 days -gross value	9,408
	Lower of overdue balance and securities held against such balance	5,958
(v)	**Trade payables**	
	Book value	40,142,461
	Less: overdue for more than 30 days	(9,363,603)
		30,778,858
(vi)	**Other liabilities**	
	Creditors overdue for more than 30 days	9,363,603
	Accrued expenses	4,203,097
	Short term borrowing	20,267,797
		33,834,497

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,339,689	100.00%	-
1.2	Intangible Assets	2,750,000	100.00%	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)		-	-
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:			
	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.	36,952,591	5,542,889	31,409,702
	ii. If unlisted, 100% of carrying value.		100.00%	-
	In case any securities are pledged, except those pledged on favour of securities exchange or clearing house against margin requirements or pledged in favour of banks against short-term financing arrangements, 100% haircut shall be applied for the purposes of computation of adjusted value of assets.		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.	2,250,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	23,903,556	-	23,903,556
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-
1.11	Other deposits and prepayments	2,504,300	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.		-	-
	Nil other than 100% haircut in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.***)		-	-
1.15	Advances and receivables other than trade receivables 1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months. 2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. 3) In all other cases, 100% of net value	6,679,583	6,129,583	550,000
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	2,154,918		2,154,918

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
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.*	12,989,256	4,867,526	8,121,730
	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*	5,988,530	-	5,988,530
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. *v. Lower of net balance sheet value or value determined through adjustments*	1,857,981	3,450	1,854,531
	vi. 100% haircut in the case of amount receivable form related parties.	1,206,186		-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	46,058		46,058
	ii. Bank balance-customer accounts	40,142,462		40,142,462
	iii. Cash in hand	5,000	-	5,000
1.19	Subscription money against investment in IPO / offer for sale (asset). (No haircut may be applied in respect of amount paid as subscription money provided that shares have not bell allotted or are not included in the investments of securities broker).	-	-	-
1.20	Total Assets	141,770,110		114,176,487
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	40,142,461		40,142,461
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	4,203,097		4,203,097
	iii. Short-term borrowings	20,267,797	-	20,267,797
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	vii. Provision for taxation		-	-
	Viii. Other liabilities as per accounting principles and included in the financial statements			
2.3	**Non-Current Liabilities**			
	i. Long-Term financing		-	-
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements		-	-
	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. 2. Nil in all other cases.			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.4	**Subordinated Loans**	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:			
2.5	Advance against shares for increase in capital of securities broker.	-	-	-
	100% haircut may be allowed in respect of adavance against shares if: a) The existing authorized share capital allows the proposed enhanced share capital b) BOD 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 requrements relating to the increase in paid up capital have been completed e) Auditor is satisfied that such advance is against the increase of capital.			
2.6	**Total Liabilites**	64,613,355		64,613,355
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.	-		972,923
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**			
	<u>**(a) in the case of right issuse :**</u> 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 commitment	-	-	-
	(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.	-		
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	-	-	773,041

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
3.9	Opening Positions in futures and options			
	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		-	-
3.10	Short selll 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 Liabilites	-	-	1,745,964
		77,156,755	Liquid Capital	47,817,168

27 NUMBER OF EMPLOYEES

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

	2021	2020
	--------------- Number ------------	
Total number of employees as at	6	5
Average number of employees during the year	6	5

28 GENERAL

28.1 Figures have been rounded off to the nearest rupee.

28.2 The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation.

28.3 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 05 OCT 2021 .

CHIEF EXECUTIVE

DIRECTOR