

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ALFA ADHI SECURITIES (PRIVATE) LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Alfa Adhi Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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, the statement of profit or loss and other 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.

Emphasis of Matter

We draw attention to statement of compliance disclosed in note 2.1 of the financial statements, which describes the reason for transition of Company's accounting framework from International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) to 'International Financial Reporting Standards for Small and Medium Sized Entities issued by the IASB as notified under the Companies Act, 2017 (XIX of 2017) and resulting changes in Company's accounting policies. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' 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 auditors' 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.

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 skepticism 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 and other 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; and
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirements of section 78 of the Securities Act 2015, section 62 of the Future Market Act 2016 and the relevant requirements of Securities Brokers (Licensing 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 **Muhammad Iqbal**.

RH Zofia Haroon Zakaria
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 04 OCT 2021

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

	Note	2021 Rupees	2020 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	21,027,754	21,962,910
Investment properties	6	-	6,500,000
Intangible assets	7	2,916,964	3,058,931
Long term deposits	8	5,264,000	5,264,000
		<u>29,208,718</u>	<u>36,785,841</u>
Current Assets			
Trade debts	9	54,802,671	47,149,467
Commission receivable	10	5,907,866	3,203,273
Loans and advances	11	24,932,268	27,341,374
Deposits and other receivables	12	58,943,850	19,214,630
Short term investments	13	-	12,116,250
Income tax refunds due from government	14	4,510,182	12,001,415
Cash and bank balances	15	117,721,427	63,455,743
		<u>266,818,264</u>	<u>184,482,152</u>
Total Assets		<u><u>296,026,982</u></u>	<u><u>221,267,993</u></u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized share capital			
10,000,000 Ordinary shares of Rs.10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up share capital	16	50,490,000	50,490,000
Revenue reserve			
Unappropriated profit		84,286,290	74,459,655
Capital reserve			
Surplus on revaluation of property	17	5,707,681	7,080,188
Shareholders' equity		<u>140,483,971</u>	<u>132,029,843</u>
Non-Current Liabilities			
Deferred liabilities	18	3,918,924	2,997,491
Current Liabilities			
Trade and other payables	19	123,792,126	60,905,767
Short term borrowing	20	27,342,952	24,941,642
Mark-up accrued		489,009	393,250
		<u>151,624,087</u>	<u>86,240,659</u>
Contingencies and Commitments			
Total Equity and Liabilities	21	<u><u>296,026,982</u></u>	<u><u>221,267,993</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive


Director

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	<i>Note</i>	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
Operating revenue - net	22	99,304,112	40,690,136
Commission paid to agents	22	<u>(23,929,948)</u>	<u>(8,595,804)</u>
		75,374,164	32,094,332
Operating and administrative expenses	23	<u>46,014,808</u>	<u>25,265,447</u>
Operating profit		29,359,356	6,828,885
Finance cost	24	<u>(2,463,683)</u>	<u>(2,628,722)</u>
Other expenses	25	<u>(27,632,904)</u>	<u>(9,686,419)</u>
Other income	26	<u>11,263,703</u>	<u>2,010,958</u>
		<u>(18,832,884)</u>	<u>(10,304,183)</u>
Profit / (loss) before taxation		10,526,472	(3,475,298)
Taxation - net	27	<u>(2,072,344)</u>	<u>(1,310,054)</u>
Profit / (loss) after taxation		8,454,128	(4,785,352)
Other comprehensive income		-	-
Total comprehensive income / (loss)		<u>8,454,128</u>	<u>(4,785,352)</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive

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Director

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


Description	Share capital	Reserves		Total reserves	Shareholders' equity
		Revenue	Capital		
		Unappropriated profit	Surplus on revaluation of property		
----- Rupees -----					
Balance as at June 30, 2019	50,490,000	78,870,497	7,454,698	86,325,195	136,815,195
Total comprehensive loss for the year ended June 30, 2020					
Loss after taxation	-	(4,785,352)	-	(4,785,352)	(4,785,352)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	(4,785,352)	-	(4,785,352)	(4,785,352)
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	374,510	(374,510)	-	-
Balance as at June 30, 2020	50,490,000	74,459,655	7,080,188	81,539,843	132,029,843
Total comprehensive income for the year ended June 30, 2021					
Profit after taxation	-	8,454,128	-	8,454,128	8,454,128
Other comprehensive income	-	-	-	-	-
Total Comprehensive income	-	8,454,128	-	8,454,128	8,454,128
Transferred from revaluation reserve to retained earnings on account of disposal of assets	-	1,070,234	(1,070,234)	-	-
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	302,273	(302,273)	-	-
Balance as at June 30, 2021	50,490,000	84,286,290	5,707,681	89,993,971	140,483,971

Unappropriated profit can be utilized for meeting any contingencies and distribution of profits by way of dividend.

Surplus on revaluation of property will be utilized for any purpose only after it is realized and transferred to unappropriated profit. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

The annexed notes from 1 to 35 form an integral part of these financial statements.


 Chief Executive


 Director

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2021 Rupees	2020 Rupees
Profit / (loss) before taxation		10,526,472	(3,475,298)
Adjustment for:			
Depreciation	5	1,682,496	1,695,413
Amortization	7.2 & 7.3	141,967	141,967
Provision in respect of employees gratuity fund	18.1	921,433	505,900
Loss on disposal of Investment Properties	25	450,000	-
Provision for doubtful receivable	25	9,407,846	1,040,048
Capital gain on disposal of investments	26	(7,370,788)	(353,104)
Gain on disposal of fixed assets - net	26	(1,517,173)	-
Financial charges	24	2,463,683	2,628,722
Remeasurement loss on investment	13	-	3,772,409
		6,179,464	9,431,355
Cash generated from operating activities before working capital changes		16,705,936	5,956,057
(Increase) / decrease in current assets			
Trade debts		(17,061,050)	3,614,490
Commission receivable		(2,704,593)	(3,203,273)
Loans and advances		2,409,106	(3,840,121)
Deposits and other receivables		(39,729,220)	(12,722,905)
Increase in current liabilities			
Trade and other payables		62,886,359	42,185,564
		5,800,602	26,033,755
Cash generated from operations		22,506,538	31,989,812
Financial charges paid		(2,367,924)	(2,961,493)
Income taxes paid	14.1	(2,093,830)	(1,024,181)
Gratuity paid	18.1	-	(885,000)
Refunds received	14.1	7,512,719	-
Net cash generated from operating activities		25,557,503	27,119,138
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets expenditure incurred-net	5	(5,870,167)	(587,589)
Proceeds from sales of office premises	5.1	6,640,000	-
Sale / (purchase) of investment properties	6.2	6,050,000	(6,500,000)
Short term investments - net		19,487,038	1,334,537
Net cash generated from / (used in) investing activities		26,306,871	(5,753,052)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing obtained- net		2,401,310	20,918,904
Net cash generated from financing activities		2,401,310	20,918,904
Net increase in cash and cash equivalent (A+B+C)		54,265,684	42,284,990
Cash and cash equivalents at the beginning of the year	15	63,455,743	21,170,753
Cash and cash equivalents at the end of the year		117,721,427	63,455,743

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive


Director

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

1 THE COMPANY AND GENERAL INFORMATION

1.1 Legal status and operations

Alfa Adhi Securities (Private) Limited (the 'Company') was incorporated in Pakistan on November 21, 1994 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a corporate member of the Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal objects of the Company include share brokerage, money market transactions, consultancy services and underwriting etc. The registered office of the Company is situated at 3rd floor, Shaheen Chamber, KCHS block 7 & 8, Shahrah e Faisal, Karachi. Other business addresses of the Company is 3rd floor, 308 - 309, New Block, Pakistan Stock Exchange, I.I Chundrigar road, Karachi and G-9 & 10, Hussain trade centre, Altaf Husain road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

Subsequent to the SECP's notification no. SRO 1195 (I) / 2019 dated October 03, 2019 for alteration in the third schedule to the Act, the Company falls under the category of medium size company, in accordance with the Third Schedule to the Act, therefore, during the current year, the management has decided to change its accounting framework from International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) to International Financial Reporting Standards for Small and Medium Sized Entities issued by the IASB (here-in-after referred to as IFRS for SME's) as notified under the Companies Act, 2017 (the Act).

The effective date of transition to IFRS for SMEs is the beginning of the earlier period presented. The aforesaid transition does not have any affect on Company's account balances and classes of transactions reported in these financial statements. However, the transition resulted in few changes in Company's accounting policies that mainly relates, but are not limited, to recognition and derecognition of financial instruments (Note 3.4), impairment of financial assets (Notes 3.4 to 3.6), recognition and measurement of revenue from brokerage services (3.12) and disclosures related to financial risk management (Note 29.1).

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

- International Financial Reporting Standards for Small and Medium Sized Entities issued by the IASB (here-in-after referred to as IFRS for SME's) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS for SME's, the provisions or directives issued under the Act have been followed.

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

Further, disclosures of net capital balance (note no. 32) and liquid capital (note no. 33) are prepared to meet the specific requirements of Securities and Exchange Commission of Pakistan (SECP) in accordance with the guidelines given under Second and Third Schedule to the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with clarifications and guidelines issued by the SECP from time to time.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except stated otherwise. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- Review of useful life and residual value of property and equipment (note 3.1 and 5);
- Investment properties (note 3.2 and 6);
- Intangible assets (note 3.3 and 7);
- Classification of investments (note 3.4 and 3.4.1);
- Assumptions and estimates used in calculating the provision for doubtful trade debts (note 3.5 and 9);

- Revenue recognition (note 3.12 and 22); and
- Provision for taxation including deferred tax (note 3.10 and 27).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except if stated otherwise.

3.1 Property and equipment

Owned

These are initially stated at cost. Subsequent to initial recognition these are measured at cost or revalued amounts less accumulated depreciation and impairment losses, if any. Depreciation on property and equipment is charged to income by applying the reducing balance method at the rates specified in the relevant note.

Depreciation is charged from the month in which they are available for use and on deletions up to the month of deletion. Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals, if any, are capitalized.

The surplus on revaluation of property is reversed to the extent of incremental depreciation and is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial year in which they are incurred.

The carrying values of property and equipment are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Assets are derecognized when disposed off or when no future economic benefits are expected from its use or disposal and significant risks and rewards incidental to ownership have been transferred. Gains or losses on disposal of assets, if any, are recognized in the profit or loss, as and when incurred.

Revalued assets

Revaluation of leasehold office premises is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of leasehold premises is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "surplus on revaluation of property" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the profit or loss, in which case the increase is first recognized in the profit or loss to the extent of the decrease previously charged. Any decrease that reverses previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decrease are charged to the profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profit.

Gains and losses on disposal of revalued assets

Gains and losses on disposal of assets are taken to the profit or loss, and the related surplus on revaluation of property, if any, is transferred directly to unappropriated profit.

3.2 *Investment properties*

Recognition and measurement

Investment property comprises of leasehold land that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs if any. Transaction costs may include transfer taxes and other commissions to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, the Company has chosen cost model to measure investment property at cost less accumulated impairment losses if any.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecognition of investment property are recognised in the statement of profit or loss in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Maintenance and normal repairs, if any, are charged to the statement of profit or loss, as and when incurred. Major renewals and improvements, if any, are capitalized, if recognition criteria is met.

3.3 Intangible assets

Membership Card - Pakistan Mercantile Exchange Limited

This is stated at cost less impairment, if any. This is not amortized due to the fact that it has an indefinite useful life. Useful life can not be ascertained as it is unknown that how long member will hold the card. The carrying amount is reviewed at each statement of financial position date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Trading Rights Entitlement Certificate (TREC)

This is initially measured at apportioned value of carrying value of surrendered card which is apportioned between TREC and Shares of PSX. Subsequent to its initial recognition, it is measured at cost less impairment, if any. This is not amortized due to the fact that it has an indefinite useful life. Useful life can not be ascertained as it is unknown that how long member will hold the card. The carrying amount is reviewed at reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Softwares

Software are stated at cost less accumulated amortization and any identified impairment loss. Amortization on softwares is charged to income by applying straight line method at the rates specified in the relevant note. Amortization is charged from the month of acquisition of softwares, up to the month of deletion. The carrying value of softwares are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the softwares are written down to their recoverable amount.

3.4 Financial assets and liabilities

During the year, upon transition from full IFRSs to IFRS for SMEs as fully disclosed in note 2.1 to these financial statements, the Company changed its accounting policy for the financial instruments in accordance with requirements of the IFRS for SMEs. Now financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provision of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are de-recognized when obligation is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liability is recognized in the statement of profit or loss and other comprehensive income of the current period.

The Company's previous accounting policy for recognition and recognition of financial instruments was in accordance with the then applicable full IFRSs under which all financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received and are subsequently measured at fair value or amortized cost as the case may be. The detailed policies for classification, recognition and derecognition of financial instruments and their impairment is not disclosed here with a view to brevity.

This change in accounting policy has been accounted for retrospectively, however, there is no financial impact as there is no change in classification or measurement of any financial instruments of the Company under IFRS for SMEs as compared to previously complied full IFRSs.

3.4.1 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Trade debts, commission and other receivables

During the year, upon transition from full IFRSs to IFRS for SMEs as fully disclosed in note 2.1 to these financial statements, the Company changed its accounting policy for the trade debts, commission and other receivable in accordance with requirements of the IFRS for SMEs. Now these are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade debts, commission and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The Company's previous accounting policy was in accordance with the then applicable full IFRSs under which trade debts, commission and other receivables are recognized initially at fair value i.e. transaction cost and subsequently measured at amortized cost. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the receivables. Bad debts are written off when considered irrecoverable.

This change in accounting policy has been accounted for retrospectively, however, there is no financial impact as provision recorded under previously complied full IFRSs is also maintained under IFRS for SMEs because of availability of objective evidence regarding Company's inability to collect balances considered doubtful.

3.6 Loans, advances and deposits

During the year, upon transition from full IFRSs to IFRS for SMEs as fully disclosed in note 2.1 to these financial statements, the Company changed its accounting policy for the loans, advances and deposits in accordance with requirements of the IFRS for SMEs. Now these are recognised and carried at transaction price less an allowance for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the statement of profit or loss. Balances are written-off in the statement of profit or loss when considered irrecoverable.

This change in accounting policy has been accounted for retrospectively, however, there is no financial impact as classification and measurement of loans, advances and deposits at amortised cost remained same under both IFRS for SMEs and previously complied full IFRSs and there was not any provision based on ECL was recorded under full IFRSs. The Company's previous accounting policy were not disclosed here with a view to brevity.

3.7 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company and accordingly are not included in these financial statements.

3.8 Cash and cash equivalents

It comprises of cash in hand and cash at bank which are carried at amortized cost. For the purpose of cash flow statements, cash and cash equivalent include cash in hand, current and deposit account held with the banks.

3.9 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company. Trade payables in respect of securities are recorded at settlement date of transactions.

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enacted on the reporting date and only adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.11 Provisions

Provisions are recognized when the company has present legal or constructive obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation, and reliable estimates of the amount can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.12 Revenue recognition

Revenue from brokerage services

During the year, upon transition from full IFRSs to IFRS for SMEs as fully disclosed in note 2.1 to these financial statements, the Company changed its accounting policy for the revenue from brokerage services in accordance with requirements of the IFRS for SMEs. Now revenue is recognised to the extent the Company has rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales tax and trade discounts.

The Company's previous accounting policy was in accordance with the then applicable full IFRSs under which commission income is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for providing services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is measured based on the consideration specified in a contract with a customer and is recognized when transferring services to a customer at a point in time when the performance obligations are met.

This change in accounting policy has been accounted for retrospectively, however, there is no financial impact as nature of Company's services is such that it is transferred at a point in time and the transaction price of Company's contracts with customers for transferring the services does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers.

Other revenue

- Profit on deposits and margin financing is recognized on a time proportionate basis, with reference to the principal outstanding and at the applicable effective interest rate.
- Gain on sale of fixed assets is recorded when title is transferred in favour of the transferee.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.
- Miscellaneous income is recognized on occurrence of transactions.

3.13 Staff retirement benefits

Employees' gratuity

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the Company. Gratuity payable is accounted for on accrual basis. Provisions are made annually to meet the obligation on the basis of the product of employees' last drawn salary and the number of years served to date.

3.14 Borrowing cost

Borrowing cost are recognized as expense in the period in which these are incurred.

4 DETAILS OF RELATED PARTIES

Followings are the names of those related parties with whom the company has made transactions during the current financial year.

Name of related parties	% of holding	Basis of relationship
Akseer Research (Private) Limited	25	Member / Common directorship
Mr. Azfer Naseem	-	Chief Executive
Mr. Muhammad Aman	10	Director
Mr. Ayaz	12.5	Director
Mr. Mohsin Adhi	7.5	Director
Mr. Muhammad Iqbal Adhi	13	Director
Ms. Amber	4	Member
Ms. Adila	4	Member
Ms. Anila	4	Member
Ms. Aisha	10	Member
Ms. Armila	10	Member
Mrs. Mehwish Adhi	-	Close family member
Mrs. Mumtaz Bano	-	Close family member
Ms. Sharmeen Ayaz	-	Close family member

5 PROPERTY AND EQUIPMENT

<i>Particulars</i>	<i>Owned Assets</i>						<i>Total</i>
	<i>Office premises lease hold*</i>	<i>Computers</i>	<i>Office equipment's</i>	<i>Furniture and fixtures</i>	<i>Generators</i>	<i>Vehicles</i>	
----- Rupees -----							
<i>Year ended June 30, 2021</i>							
Opening net book value	17,727,468	1,219,902	1,703,801	1,215,765	-	95,974	21,962,910
Additions during the year	1,575,855	945,734	313,849	1,501,038	1,533,691	-	5,870,167
Disposals during the year	(5,122,827)	-	-	-	-	-	(5,122,827)
Depreciation charge for the year	(784,266)	(522,766)	(177,269)	(166,219)	(12,781)	(19,195)	(1,682,496)
<i>Closing net book value as on June 30, 2021</i>	<u>13,396,230</u>	<u>1,642,870</u>	<u>1,840,381</u>	<u>2,550,584</u>	<u>1,520,910</u>	<u>76,779</u>	<u>21,027,754</u>
<i>As at June 30, 2021</i>							
Revalued amount* / cost	16,250,723	9,515,959	3,526,987	4,530,700	1,533,691	1,696,205	37,054,265
Accumulated depreciation	(2,854,493)	(7,873,089)	(1,686,606)	(1,980,116)	(12,781)	(1,619,426)	(16,026,511)
<i>Closing net book value as on June 30, 2021</i>	<u>13,396,230</u>	<u>1,642,870</u>	<u>1,840,381</u>	<u>2,550,584</u>	<u>1,520,910</u>	<u>76,779</u>	<u>21,027,754</u>
<i>Year ended June 30, 2020</i>							
Opening net book value	18,660,493	1,277,334	1,720,611	1,350,850	-	61,446	23,070,734
Additions during the year	-	368,249	166,340	-	-	53,000	587,589
Depreciation charge for the year	(933,025)	(425,681)	(183,150)	(135,085)	-	(18,472)	(1,695,413)
<i>Closing net book value as on June 30, 2020</i>	<u>17,727,468</u>	<u>1,219,902</u>	<u>1,703,801</u>	<u>1,215,765</u>	<u>-</u>	<u>95,974</u>	<u>21,962,910</u>
<i>As at June 30, 2020</i>							
Revalued amount* / cost	20,850,368	8,570,225	3,213,138	3,029,662	-	1,696,205	37,359,598
Accumulated depreciation	(3,122,900)	(7,350,323)	(1,509,337)	(1,813,897)	-	(1,600,231)	(15,396,688)
<i>Closing net book value as on June 30, 2020</i>	<u>17,727,468</u>	<u>1,219,902</u>	<u>1,703,801</u>	<u>1,215,765</u>	<u>-</u>	<u>95,974</u>	<u>21,962,910</u>
<i>Rate of depreciation (%)</i>	<u>5%</u>	<u>30%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>20%</u>	

5.1 The following fixed assets have been disposed off during the year:-

Description	Cost / *Revalued Amount	Accumulated Depreciation	Written Down Value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer
----- Rupees -----							
Office premises* - Landmark plaza office 610	2,667,500	427,861	2,239,639	2,000,000	(239,639)	Negotiation	Mrs. Armila (Member)
Office premises - PSX Office 308	3,248,000	578,504	2,669,496	2,320,000	(349,496)	Negotiation	Mr. Mohammad Iqbal Adhi (Director)
Office premises - PSX Office 309	260,000	46,308	213,692	2,320,000	2,106,308	Negotiation	
2021	6,175,500	1,052,673	5,122,827	6,640,000	1,517,173		

5.2 Had there been no revaluation, the written down value of office premises would have been amounted to 5.307 (2020: Rs. 7.705) million.

5.3 On April 30, 2017, the Company carried out revaluation of its office premises under market value basis by an independent valuer, M/s. Zafar Iqbal & Company, who has determined forced sale value of lease hold office premises amounted to Rs. 14.758 million.

Note **2021**
 Rupees **2020**
 Rupees

6 INVESTMENT PROPERTIES

Investment properties	6.1	-	6,500,000
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6.1 The movement in investment properties during the year is as follows:

Opening		6,500,000	-
Additions during the year		-	6,500,000
Sold during the year	6.2	(6,500,000)	-
Closing		-	6,500,000

6.2 The following investment properties have been disposed off during the year:

Description	Cost / *Revalued Amount	Accumulated Depreciation	Written Down Value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer
----- Rupees -----							
Naya Nazimabad Plot no P22	3,500,000	-	3,500,000	3,500,000	-	Negotiation	Mr. Mohammad Aman (Director)
Naya Nazimabad Plot no N889	3,000,000	-	3,000,000	2,550,000	(450,000)	Negotiation	
2021	6,500,000	-	6,500,000	6,050,000	(450,000)		

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
7 INTANGIBLE ASSETS			
Trading right entitlement certificate (TREC)	7.1	2,500,000	2,500,000
Membership card of PMEX		250,000	250,000
Microsoft ggwa olp	7.2	15,413	30,824
Online trading software	7.3	151,551	278,107
		<u>2,916,964</u>	<u>3,058,931</u>

7.1 Trading right entitlement certificate (TREC)

Gross carrying amount	3,415,954	3,415,954
Provision for impairment	(915,954)	(915,954)
Net carrying amount	<u>2,500,000</u>	<u>2,500,000</u>

The management of the Company has valued TREC at Rs. 2.5 million as on reporting date, based on the invitation for fee for the purchase of TREC issued by the PSX via notice PSX / N-225 dated February 16, 2021 indicating the fee for TREC to be Rs. 2.5 million.

Previously, TREC was valued on the basis of offer for issuance of TREC issued by the PSX via notice PSX / N-1245 dated February 26, 2018 indicating fee for new TREC Certificate amounting to Rs. 2.5 million.

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
7.2 Microsoft GGWA OLP			
Opening net book value		30,824	46,235
Amortization charge		(15,411)	(15,411)
Closing net book value		<u>15,413</u>	<u>30,824</u>
As at June 30,			
Cost		154,112	154,112
Accumulated amortization		(138,699)	(123,288)
		<u>15,413</u>	<u>30,824</u>
Rate of amortization		<u>10%</u>	<u>10%</u>

7.3 Online trading software

Opening net book value	278,107	404,663
Amortization charge	(126,556)	(126,556)
Closing net book value	<u>151,551</u>	<u>278,107</u>
As at June 30,		
Cost	1,265,555	1,265,555
Accumulated amortization	(1,114,004)	(987,448)
	<u>151,551</u>	<u>278,107</u>
Rate of amortization	<u>10%</u>	<u>10%</u>

	Note	2021 Rupees	2020 Rupees
8 LONG TERM DEPOSITS			
<i>Deposits</i>			
NCEL Building Management Limited		2,500,000	2,500,000
Pakistan Mercantile Exchange Limited		1,250,000	1,250,000
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Others		14,000	14,000
		<u>5,264,000</u>	<u>5,264,000</u>

9 TRADE DEBTS

Considered good

- From related party	9.1 & 9.2	8,467,947	26,126,486
- From others	9.3 & 9.4	46,334,724	21,022,981
		<u>54,802,671</u>	<u>47,149,467</u>

Considered doubtful - from others

	9.3	79,196	714,872
		<u>54,881,867</u>	<u>47,864,339</u>
Provision for considered doubtful		(79,196)	(714,872)
		<u>54,802,671</u>	<u>47,149,467</u>

9.1 Maximum aggregate amount of receivable during the year with respect to month end balance:

Mr. Muhammad Aman (Director)	<u>36,906,137</u>	<u>10,517,543</u>
Mr. Ayaz (Director)	<u>5,114,485</u>	<u>2,670,599</u>
Mr. Mohsin Adhi (Director)	<u>33,414</u>	<u>480</u>
Ms. Armila (Member)	<u>7,181,283</u>	<u>11,208,932</u>
Ms. Aisha (Member)	<u>2,368,627</u>	<u>329,569</u>
Mrs. Sharmeen Ayaz (Close family member)	<u>742,153</u>	<u>655,709</u>
Mrs. Mehwish Adhi (Close family member)	<u>5,031</u>	<u>-</u>

9.2 Age analysis of trade receivables from related parties as at June 30, 2021.

Name of related party	Amount past due					Total gross amount due
	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	Past due 365 days	
	Rupees					
Mr. Muhammad Aman (Director)	5,231,919	-	-	-	-	5,231,919
Mr. Mohsin Adhi (Director)	33,414	-	-	-	-	33,414
Mr. Ayaz (Director)	697,533	-	-	-	-	697,533
Ms. Armila (Member)	499,806	-	-	-	-	499,806
Ms. Aisha (Member)	1,738,153	-	-	-	-	1,738,153
Mrs. Mehwish Adhi (Close Family Member)	-	-	1,109	-	-	1,109
Mrs. Sharmeen Ayaz (Close Family Member)	63,906	-	-	202,107	-	266,013
	<u>8,264,731</u>	<u>-</u>	<u>1,109</u>	<u>202,107</u>	<u>-</u>	<u>8,467,947</u>

Age analysis of trade receivables from related parties as at June 30, 2020.

Name of related party	Amount past due				Total gross amount due
	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	
	----- Rupees -----				
Mr. Muhammad Aman (Chief Executive)	8,371,093	-	-	-	8,371,093
Mr. Abdul Razak Jandga (Director)	-	-	-	7,979,671	7,979,671
Ms. Armila (Member)	1,893,746	1,369,025	4,029,059	-	7,291,830
Mr. Samad Razzak (Member)	1,333	-	-	-	1,333
Ms. Zohra (Member)	170,316	-	-	-	170,316
Ms. Aisha (Member)	190,217	-	-	-	190,217
Ms. Mumtaz Bano (Close Family Member)	987,044	-	-	821,082	1,808,126
Mr. Abdul Qadir (Close Family Member)	10,405	-	-	-	10,405
Ms. Sharmeen Ayaz (Close Family Member)	108,464	131,499	63,532	-	303,495
	<u>11,732,617</u>	<u>1,500,524</u>	<u>4,092,591</u>	<u>8,800,753</u>	<u>26,126,486</u>

9.3 Movement in provision for doubtful debts:	Note	2021 Rupees	2020 Rupees
Opening		714,872	714,872
Provision made during the year	25	7,362,614	-
Write off during the year	9.4	(7,998,290)	-
Closing		<u>79,196</u>	<u>714,872</u>

9.4 Represents write offs of irrecoverable trade receivables from individual customers during the year after adjustment of collateral securities of respective customers as there are no reasonable prospects of recovering the balance amounts.

10 COMMISSION RECEIVABLE	Note	2021 Rupees	2020 Rupees
<i>Considered good</i>			
- From corporate clients		<u>5,907,866</u>	<u>3,203,273</u>

11 LOANS AND ADVANCES

<i>Considered good</i>		2021 Rupees	2020 Rupees
- Loans			
- to Directors	11.1	24,731,268	26,264,874
- Advances			
- to staff	11.2	201,000	396,500
- against purchase of office		-	680,000
		<u>24,932,268</u>	<u>27,341,374</u>

11.1 The loan is provided to Mr. Muhammad Aman (Director) and Mr. Ayaz Muhammad (Director) of the Company amounting to Rs. 20.038 (2020: Rs. 20.244) million and Rs. 4.693 (2020: Rs. 6.021) million respectively. The loan is unsecured, interest free and recoverable on demand. Legal formalities in pursuant of the conditions enumerated under the Companies Act, 2017 are not fulfilled relating to the payment of this loan.

Maximum aggregate amount outstanding at any time during the year with respect to month end balances of Mr. Muhammad Aman (Chief Executive Officer) and Mr. Ayaz Muhammad (Director) of the Company amounting to Rs. 20.038 (2020: Rs. 20.244) million and Rs. 5.419 (2020: Rs. 6.021) million respectively.

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
11.2 Movement of loan to staff during the year:			
Opening balance		396,500	548,520
Loan given to employees during the year		250,000	330,000
Loan repaid by employees during the year		(445,500)	(427,670)
Loan write off during the year		-	(54,350)
Closing balance		<u>201,000</u>	<u>396,500</u>

12 DEPOSITS AND OTHER RECEIVABLES

Deposits

Pakistan Stock Exchange Limited

- against Base Minimum Capital

12.1 11,450,000 3,300,000

National Clearing Company of Pakistan

- against Regular Trading Exposure

29,500,000 10,000,000

- against Future Trading Exposure

16,500,000 3,500,000

- against Future Market Losses

1,373,617 -

47,373,617 13,500,000

Other receivables - considered good

- *mark-up receivable against margin financing*

gross amount

- 3,085,280

provision for doubtful receivable

12.2 - (1,040,048)

- 2,045,232

- *receivable from agents*

gross amount

120,233 413,821

write off during the year

- (44,423)

120,233 369,398

120,233 2,414,630

58,943,850 19,214,630

12.1 Represents deposit maintained by the Company, as a broker, with the PSX for its eligibility to trade through the Exchange Trading Systems to be calculated / prescribed as per Schedule I to Chapter 19 of the PSX Rule Book.

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
12.2 Provision for doubtful Mark-up receivable against margin financing			
Opening balance		1,040,048	-
Provision made during the year	25	2,045,232	1,040,048
		3,085,280	1,040,048
Write off during the year		(3,085,280)	-
		<u>-</u>	<u>1,040,048</u>

	Note	2021 Rupees	2020 Rupees
13 SHORT TERM INVESTMENTS			
<i>- At fair value through profit or loss</i>			
<i>In securities of listed companies</i>			
Carrying value		-	15,888,659
Loss on remeasurement of investments carried at fair value through profit or loss account		-	(3,772,409)
	13.1	<u>-</u>	<u>12,116,250</u>

13.1 At fair value through profit or loss

<i>No. of shares</i>			<i>Market Value</i>	
2021	2020		2021 Rupees	2020 Rupees
10,000	10,000	Dewan Salman Fibre Limited (note 13.2)	-	-
-	54,500	Javedan Corporation Limited	-	1,226,250
-	1,100,000	Pakistan Stock Exchange Limited	-	10,890,000
<u>10,000</u>	<u>1,164,500</u>		<u>-</u>	<u>12,116,250</u>

13.2 The trading of shares of Dewan Salman Fibre Limited has been suspended by the Pakistan Stock Exchange Limited. Hence the shares are valued at Nil while other shares are disposed off during the current year.

	Note	2021 Rupees	2020 Rupees
14 INCOME TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable	14.1	<u>4,510,182</u>	<u>12,001,415</u>
14.1 Balance as on July 01,		12,001,415	12,287,288
Prior year adjustment		(17,655)	2,101
Taxes paid during the year		2,093,830	1,024,181
Refunds received during the year		(7,512,719)	-
Tax liability for the year	27	<u>(2,054,689)</u>	<u>(1,312,155)</u>
Balance as on June 30,		<u>4,510,182</u>	<u>12,001,415</u>

15 CASH AND BANK BALANCES

<i>Cash in hand</i>		64,731	-
<i>Cash at banks</i>			
<i>- Own</i>			
Current accounts		3,111,588	3,785,340
Pls account	15.1	1,485,138	602,925
		<u>4,596,726</u>	<u>4,388,265</u>
<i>- Client</i>			
Current accounts		113,059,970	59,067,478
		<u>117,721,427</u>	<u>63,455,743</u>

15.1 This amount carries mark-up ranging from 6% to 8% (2020: 6% to 13.50%) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
Number of Shares			Rupees	Rupees
		Ordinary shares of Rs.10 each		
4,299,000	4,299,000	fully paid in cash	42,990,000	42,990,000
750,000	750,000	issued as bonus shares	7,500,000	7,500,000
5,049,000	5,049,000		50,490,000	50,490,000

16.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

16.2 PATTERN OF SHAREHOLDING:

S. No.	Names	No. of shares	Percentage
1	Akseer Research (Private) Limited	1,262,250	25.00%
2	Muhammad Iqbal Adhi	656,370	13.00%
3	Ayaz	631,125	12.50%
4	Muhammad Aman	504,900	10.00%
5	Ms. Aisha	504,900	10.00%
6	Ms. Armila	504,900	10.00%
7	Mohsin	378,675	7.50%
8	Others having less than 5% shareholding	605,880	12.00%
		5,049,000	100%

16.3 During the year, Akseer Research (Private) Limited and Mr Muhammad Iqbal Adhi acquired Shareholding of 25% and 4.25% respectively from members, following are the effect of changes on members' shareholding:

	Revised Shareholding	Previous Shareholding
Akseer Research (Private) Limited	25.00%	0.00%
Mr Abdul Razzaq Jangda	0.00%	11.50%
Mr Muhammad Rafiq	0.00%	10.00%
Ms. Lubna	0.00%	4.25%
Mrs. Zohra	0.00%	1.75%
Mr Rizwan	0.00%	1.00%
Mr Samad	0.00%	0.75%
Mr Muhammad Iqbal Adhi	13.00%	8.75%
	38.00%	38.00%

	2021 Rupees	2020 Rupees
17 SURPLUS ON REVALUATION OF PROPERTY		
<i>Balance as on July 01,</i>	10,022,093	10,549,572
Transferred from revaluation reserve to unappropriated profit on account of disposal of assets	(1,507,372)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(302,273)	(374,510)
Tax effect on incremental depreciation transferred to unappropriated profit	(123,463)	(152,969)
	8,088,985	10,022,093
<i>Less: Related deferred tax liability</i>		
<i>Opening balance</i>	(2,941,905)	(3,094,874)
Effect of disposal of asset	437,138	-
Effect of incremental depreciation transferred to unappropriated profit	123,463	152,969
<i>Closing balance</i>	(2,381,304)	(2,941,905)
<i>Balance as on June 30 - net of deferred tax</i>	5,707,681	7,080,188

17.1 On April 30, 2017, the Company carried out revaluation of its office premises under market value basis by an independent valuer, M/s. Zafar Iqbal & Company, resulting in a surplus of Rs. 15,901,548, over book values which were credited to surplus on revaluation of property.

	Note	2021 Rupees	2020 Rupees
18 DEFERRED LIABILITIES			
Employees' gratuity	18.1	3,918,924	2,997,491
Deferred tax liability	18.2	-	-
		3,918,924	2,997,491
18.1 Employees' Gratuity			
Opening balance		2,997,491	3,376,591
Provision for the year		921,433	505,900
Payment made during the year		-	(885,000)
		3,918,924	2,997,491

The Company has not deployed the services of any external expert for the valuation of staff retirement benefit obligation as on the reporting date in accordance with the requirements of Projected Unit Credit (PUC) method and has availed the simplifications given under the IFRS for SME's whereby the Company has accounted for the provision of the gratuity while ignoring the estimated future salary increases, future services of existing employees and also ignoring the mortality factors.

	Note	2021 Rupees	2020 Rupees
18.2 Deferred tax liability comprises of the following:-			
<i>Taxable temporary differences</i>			
Accelerated tax depreciation		3,640,591	4,516,147
<i>Deductible temporary differences</i>			
Provision for employees gratuity		(1,136,488)	(859,661)
Provision for doubtful debts		(22,967)	(503,300)
Investments at fair value through profit or loss		-	(113,443)
Tax losses	18.2.1	(2,607,623)	(3,976,431)
		(3,767,078)	(5,452,835)
Deferred tax asset		(126,487)	(936,688)
Deferred tax asset not recognized	18.2.2	126,487	936,688
		-	-

18.2.1 Breakup of unused tax losses and tax credits is as follows:-

<i>Normal business losses</i>	<i>Tax Losses in Rupees</i>	<i>Expiry Date</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
Tax year 2019	4,849,084	June 30, 2025	(1,406,234)	(3,203,028)
Unabsorbed tax depreciation	1,264,339	Indefinite	(366,658)	(366,658)
Minimum tax (Year 2020)	363,252	June 30, 2025	(363,252)	(363,252)
Capital loss 2019	289,952	June 30, 2022	(36,244)	(43,493)
Capital loss 2021	3,481,882	June 30, 2024	(435,235)	-
			<u>(2,607,623)</u>	<u>(3,976,431)</u>

18.2.2 Deferred tax asset as at reporting date to the extent of Rs. 0.126 (2020: Rs. 0.937) million has not been recognized because of the inherent uncertainties in forecasts of sufficient taxable profits in foreseeable future against which such benefits can be utilized.

<i>19 TRADE AND OTHER PAYABLES</i>	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
Trade payable	19.1	113,059,970	59,067,478
Accrued liabilities	19.2	7,427,937	554,956
Retained profit payable		835,193	283,333
Withholding tax payable		620,704	-
Sindh sales tax on services payable - net		848,322	-
Advance against sale of office	19.3	1,000,000	1,000,000
		<u>123,792,126</u>	<u>60,905,767</u>

19.1 Includes Rs. 0.240 (2020: Rs. 0.952) million payable to Directors and close family member.

19.2 Includes Rs. 2.414 million (2020: Rs. Nil) payable to Akseer Research (Private) Limited (an associated company) on account of research and development charges.

19.3 Represents amount received from buyer against sale of lease hold office premise situated at office number 303, landmark plaza.

<i>20 SHORT TERM BORROWING</i>	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
<i>From banking companies</i>			
<i>- Secured and interest bearing</i>			
Running finance	20.1 & 20.2	15,542,952	24,941,642
<i>From related party</i>			
Loan from Chief Executive Officer		4,800,000	-
Loan from Director		7,000,000	-
	20.3	11,800,000	-
		<u>27,342,952</u>	<u>24,941,642</u>

20.1 The Company has available running finance facility of Rs. 100 (2020: Rs. 100) million at markup of 1 month KIBOR plus 2% from a banking company to meet working capital requirements. At reporting date, the unavailed facility amounted to Rs. 84.457 (2020: Rs. 75.058) million.

20.2 These facilities are secured against: -

Equitable mortgage over following (6) properties of the Company with SECP registered charge.

- a) **G-9 and G-10**, Ground Floor, Hussain Trade Centre, Plot No. 7, Sheet No. Sr-6, Serai Quarters, Shahr-e-Altal, Karachi.
- b) **Office # 303 and 610**, 3rd Floor and 6th Floor, Land Mark Plaza, Plot Survey No. 1/8, Sheet No. Sr-13, Serai Quarters, Karachi. During the current year, the office no 610 has been disposed off by the company after obtaining NOC from the banking company. However, the charge on the said property has been vacated subsequent to year end.
- c) Pledge of shares against the banking facilities in CDC account amounting to Rs. 12,229,988 which belong to customers. These are considered with a minimum margin of 35% on shares as per bank's approved list.
- d) 1st Exclusive charge over shares amounting to PKR. 166.667 M duly registered with SECP.
- e) Personal guarantees of all the Directors of the Company.

20.3 Represents unsecured and non interest bearing loan from directors. The loan is repayable on demand.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 The Company has not recorded provision for Workers' Welfare Fund for the year ended June 30, 2014 amounting to Rs. 218,490 respectively on the ground that issue of chargeability of WWF on such companies is under litigation before the Honourable High Court of Sindh, whereby stay has been granted to various companies. However, the Company itself has not challenged the levy in the Court and may be required to pay the amount in case tax authorities issue any order in this respect.

21.2 Commitments

Commitments against unrecorded transactions executed before the year end having settlement date subsequent to year end are as follows:

	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
For purchase of shares - ready market	<u>146,832,069</u>	<u>39,764,820</u>
For sale of shares - ready market	<u>177,893,512</u>	<u>38,754,101</u>
For purchase of shares - future counter	<u>-</u>	<u>139,138,665</u>
For sale of shares - future counter	<u>-</u>	<u>135,697,505</u>

21.2.1 The Company has given irrevocable financial bank guarantee in favour of National Clearing Company of Pakistan amounting to Rs. 15 (2020: Rs. 15) million. The available and unavailed balance as on June 30, 2020 amounting to Rs. 21.4 (2019: Rs. 29) million of which Rs. 6.4 (2020: Rs. 14) million respectively.

	Note	2021 Rupees	2020 Rupees
22 OPERATING REVENUE - NET			
<i>Commission income</i>			
Equity brokerage including sales tax		111,969,334	45,979,910
IPO book building including sales tax		244,313	-
		<u>112,213,647</u>	<u>45,979,910</u>
Less: Sindh sales tax on services		(12,909,535)	(5,289,774)
	22.1	<u>99,304,112</u>	<u>40,690,136</u>
Less: Commission paid to agents		(23,929,948)	(8,595,804)
		<u>75,374,164</u>	<u>32,094,332</u>

22.1 Represents brokerage income excluding sales tax from:

- Institutional clients		19,439,057	7,877,525
- Individual customers		79,865,055	32,812,611
		<u>99,304,112</u>	<u>40,690,136</u>

23 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	23.1	15,667,145	8,304,399
Directors' remuneration	28	12,051,348	5,976,360
Postage and telephone		1,268,947	997,755
Fees and subscription		678,896	208,399
Depreciation	5	1,682,496	1,695,413
Amortization	7.2 & 7.3	141,967	141,967
Electricity charges		1,700,497	688,552
Internet and computer		2,299,860	1,633,183
Traveling expenses		116,608	69,259
Legal and professional charges		294,200	702,860
Repairs and maintenance		388,837	209,381
CDC charges		1,772,480	1,343,992
Printing and stationery		240,853	155,484
Entertainment		471,856	288,136
Insurance		66,136	42,716
NCCPL charges		6,989,368	2,784,791
Water and sewerage		32,144	22,800
Penalty	23.2	151,170	-
		<u>46,014,808</u>	<u>25,265,447</u>

23.1 Includes provision for gratuity amounting to Rs. 0.921 (2020: Rs. 0.506) million.

23.2 Represents penalty paid by a company in respect of order under section 161 for non withholding of taxes for the year ended June 30, 2019.

<i>Note</i>	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
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24 FINANCE COST

Bank charges	322,474	273,606
Mark-up on running finance	2,141,209	2,355,116
	<u>2,463,683</u>	<u>2,628,722</u>

25 OTHER EXPENSES

Auditors' remuneration	25.1	496,100	319,000
Research and development charges	25.2	16,906,742	4,261,429
Remeasurement loss on investments carried at fair value through profit or loss	13	-	3,772,409
Provision for doubtful receivable	9.3 & 12.2	9,407,846	1,040,048
Loss on disposal of investment property	6.2	450,000	-
Miscellaneous expenses		372,216	293,533
		<u>27,632,904</u>	<u>9,686,419</u>

25.1 Auditors' remuneration

Statutory audit	280,000	190,000
Out of pocket	10,000	10,000
Other services	206,100	119,000
	<u>496,100</u>	<u>319,000</u>

25.2 This represents outsourcing of research work by the Company to M/s. Akseer Research (Private) Limited (an associated company) for market research on various securities and overall economy for institutional and retail clients of the company. The research provides broader view about the listed companies and economic conditions of our country which helps the clients to take fair investment decisions according to their investment strategies.

	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
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26 OTHER INCOME

- from financial assets

Mark up on PLS deposit accounts	585,688	152,302
Mark up on NCCPL deposits	1,790,054	1,481,552
Dividend from Pakistan Stock Exchange Limited	-	24,000
Capital gain on disposal of investments - net	7,370,788	353,104
	<u>9,746,530</u>	<u>2,010,958</u>

- from other than financial assets

Gain on disposal of fixed assets - net	1,517,173	-
	<u>11,263,703</u>	<u>2,010,958</u>

2021
Rupees

2020
Rupees

27 TAXATION - NET

Current		2,054,689	1,312,155
Prior year		17,655	(2,101)
Deferred	18.2	-	-
		<u>2,072,344</u>	<u>1,310,054</u>

27.1 Returns for the tax year up to 2020 have been filed, which are deemed to be assessment order under provisions of the Income Tax Ordinance, 2001, however the CIT has power to re-assess any of the five preceding tax years.

2021
Rupees

2020
Rupees

27.2 Relationship between tax expense and accounting profit

Accounting profit		<u>10,526,472</u>	<u>(3,475,298)</u>
Tax at applicable tax rate of 29%		(3,052,677)	-
Effect of adjustments related to prior years		17,655	2,101
Effect of admissible and inadmissible deductions		(751,146)	(357,545)
Effect of tax losses		1,796,794	438,801
Effect of income under separate block of income		2,007,029	-
Effect of income under minimum tax regime		2,054,689	945,303
Effect of income under final tax regime		-	3,600
Effect of Minimum tax under section 113		-	363,252
Others		-	(85,458)
		<u>2,072,344</u>	<u>1,310,054</u>

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	<i>Chief Executive</i>		<i>Directors</i>		<i>Executives</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	----- Rupees -----					
Managerial remuneration	720,000	475,200	3,412,800	1,850,400	1,470,000	-
House rent	240,000	158,400	1,137,600	616,800	490,000	-
Conveyance allowance	120,000	79,200	568,800	308,400	245,000	-
Utilities	120,000	79,200	568,800	308,400	245,000	-
Commission	-	348,000	5,163,348	1,752,360	-	-
	<u>1,200,000</u>	<u>1,140,000</u>	<u>10,851,348</u>	<u>4,836,360</u>	<u>2,450,000</u>	<u>-</u>
No. of persons	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>-</u>

	Note	2021 Rupees	2020 Rupees
29 FINANCIAL INSTRUMENT BY CATEGORY			
<i>- At amortized cost</i>			
Long term deposits	8	5,264,000	5,264,000
Trade debts	9	54,802,671	47,149,467
Commission receivable	10	5,907,866	3,203,273
Loans to directors	11	24,932,268	26,661,374
Deposits and other receivables	12	58,943,850	19,214,630
Cash and bank balances	15	117,721,427	63,455,743
		<u>267,572,082</u>	<u>164,948,487</u>
<i>- Fair value through profit or loss</i>			
Short term investments	13	-	12,116,250
		<u>267,572,082</u>	<u>177,064,737</u>
Financial Liabilities			
<i>- At amortized cost</i>			
Trade and other payables	19	121,323,100	59,905,767
Short term borrowing	20	27,342,952	24,941,642
Mark-up accrued		489,009	393,250
		<u>149,155,061</u>	<u>85,240,659</u>

29.1 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (interest / mark-up rate risk and price risk) and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risks without any material change from previous period. However, the detailed disclosures related to exposure to various risks and Company's risk management policies required under previously complied full IFRSs are not required under IFRS for SMEs.

30 RELATED PARTY TRANSACTIONS

Related parties comprise of directors and key management personnel. Year end balances of related parties are disclosed in the relevant notes to these financial statements. Details of remuneration and perquisites paid to Chief Executive and Directors during the year are disclosed in note 28. Transactions with related parties are as follows:

<i>Names of related party / Nature of transactions</i>	2021 Rupees	2020 Rupees
<i>Chief Executive and Directors</i>		
Sales of shares on behalf of Chief Executive	13,189,777	70,833,771
Sales of shares on behalf of Directors	115,745,869	12,390,449
Purchases of shares on behalf of Chief Executive	6,780,575	87,982,765
Purchases of shares on behalf of Directors	164,741,241	11,845,047
Purchases of investment properties from Chief Executive	-	6,500,000

	Note	2021 Rupees	2020 Rupees
Names of related party / Nature of transactions			
Chief Executive and Directors			
Sale of investment properties to Directors		6,050,000	-
Commission earned from brokerage transactions with Chief Executive		34,886	1,567,236
Commission earned from brokerage transactions with Directors		9,022,538	495,979
Loan repaid by Director		42,708,044	12,719,391
Loan paid to Directors		41,174,438	16,031,532
Loan repaid by Company to Director		25,000,000	12,719,391
Loan obtained from Director		32,000,000	16,031,532
Loan repaid by Company to CEO		6,000,000	-
Loan obtained from CEO		10,800,000	-
Members and Close Family Members			
Salary paid to members and close family members		1,512,000	1,632,000
Commission earned from brokerage transactions with members and close family members		744,209	2,291,312
Sales of shares on behalf of members and close family members		15,783,091	22,306,448
Purchases of shares on behalf of members and close family members		14,896,725	25,496,741
Akseer Research (Private) Limited - associated Company			
Purchase of services during the year	25	16,906,742	4,261,429
Payments made during the year		14,492,384	4,261,429

31 CAPITAL ADEQUACY LEVEL

Total Assets	31.1	296,026,982	221,267,993
Less: Total Liabilities		(155,543,011)	(89,238,150)
Less: Surplus on revaluation of property		(5,707,681)	(7,080,188)
Capital Adequacy Level	31.1.1	134,776,290	124,949,655

31.1 While determining the value of total assets of the TREC Holder, notional value of the TRE certificate held by M/s. Alfa Adhi Securities (Private) Limited as at the year ended June 30, 2021, as determined by the Pakistan Stock Exchange has been considered.

31.1.1 Disclosure has been provided in pursuant of the requirements of 'Limit on Assets Under Custody Regime' read with Regulation 6.8 of CDC regulations.

32 **COMPUTATION OF NET CAPITAL BALANCE AS
AT JUNE 30, 2021**

Note Rupees

CURRENT ASSET

Cash and bank balances

Cash in hand		64,731
Bank balances pertaining to brokerage house	15	4,596,726
Bank balance pertaining to clients	15	113,059,970
		<u>117,721,427</u>

Deposit against

- Regular Trading Exposure	12	29,500,000
- Future Trading Exposure	12	16,500,000
- Future Market Losses	12	1,373,617
		<u>47,373,617</u>
		165,095,044

Trade receivables

Book value	9	54,802,671
Less: Over due for more than 14 days		(14,384,796)
Balance generated within 14 days and / not yet due		40,417,875

Securities purchased for the client and held by the member
where payment has not been received in 14 days

6,964,808

Commission receivable

10 5,907,866

Total Current Assets

A 218,385,593

CURRENT LIABILITIES

Trade payable

Book value		113,059,970
Less: Over due for more than 30 days	32.1	(15,719,901)
		<u>97,340,069</u>

Other liabilities

32.1 54,284,018

Total Current Liabilities

B 151,624,087

NET CAPITAL BALANCE

A - B 66,761,506

Rupees

32.1 Other Liabilities

Trade liabilities overdue for more than 30 days		15,719,901
Accrued liabilities	19	7,427,937
Retained profit payable	19	835,193
Withholding tax payable	19	620,704
Sindh sales tax on services payable	19	848,322
Advance against sale of office	19	1,000,000
Mark-up accrued	19	489,009
Short term borrowing	20	27,342,952
		<u>54,284,018</u>

33 COMPUTATION OF LIQUID CAPITAL AS AT JUNE 30, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	ASSETS			
1.1	Property & Equipment	21,027,754	100.00%	-
1.2	Intangible Assets	2,916,964	100.00%	-
1.3	Investment in Government Securities	-	-	-
1.4	Investment in Debt. Securities			-
	If listed than:			-
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			-
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			-
	i. If listed 15% or VaR of each securities on the cut-off date as computed by the Securities Exchange for respective securities whichever is higher.		-	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			-
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	16,714,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	47,373,617	-	47,373,617
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments			-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	-	-	-
	100% in respect of mark-up 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.)	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	-	-	-
	ii. Income tax refunds due from Government	4,510,182	100.00%	-
	iii. Receivables other than trade receivables	30,960,367	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.	-	-	-
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. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	25,612,758	-	25,612,758
	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	20,721,966	8,945,294	11,776,672
	vi. 100% haircut in the case of amount receivable form related parties.	8,467,947	100.00%	-
1.18	Cash and Bank balances			
	i. Bank balance - proprietary accounts	4,596,726	-	4,596,726
	ii. Bank balance - customer accounts	113,059,970	-	113,059,970
	iii. Cash in hand	64,731	-	64,731
1.19	Subscription money against Investment in IPO/offer for Sale: No haircut if shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.20	Total Assets	296,026,982		202,484,474

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	113,059,970	-	113,059,970
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	7,427,937	-	7,427,937
	iii. Short-term borrowings	27,342,952	-	27,342,952
	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	3,793,228	-	3,793,228
2.3	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: 100% haircut in case of long term portion of financing obtained from a financial institution including amount due against finance lease			
	ii. Staff retirement benefits	3,918,924	-	3,918,924
	iii. Other non-current liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfil 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 fulfil the conditions specified by SECP	-	-	-
2.5	Advance against shares for increase in capital of securities broker	-	-	-
	100% haircut may be allowed in respect of advance against shares if:	-	-	-
	a. The existing authorized share capital allows the proposed enhanced share capital	-	-	-
	b. Board of Directors of the company has approved the increase in capital	-	-	-
	c. Relevant Regulatory approvals have been obtained	-	-	-
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.	-	-	-
	e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	Total Liabilities	155,543,011		155,543,011

<i>S. No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
3	RANKING LIABILITIES RELATING TO:			
3.1	Concentration in Margin Financing			
	The amount calculated client - to - client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of:			
	(i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
		-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-

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

Calculation Summary of Liquid Capital:

1	Adjusted value of Assets (serial number 1.20)	202,484,474
2	Less: Adjusted value of liabilities (serial number 2.6)	(155,543,011)
3	Less: Total ranking liabilities (series number 3.11)	-
		<u>46,941,463</u>

34 GENERAL

- 34.1 Figures have been rounded off to the nearest Rupee.
- 34.2 Number of employees as at reporting date and average number of employees during the year were 29 (2020: 32) and 32 (2020: 34) respectively.
- 34.3 As at reporting date, securities held in the name of sub-account holders (clients) amounted to Rs. 2,380.035 (2020: Rs. 1,220.703) million comprising of 114,038,615 (2020: 87,496,466) shares.

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 10 & OCT 2021 by the Board of Directors of the Company.



Chief Executive

RHZCO



Director