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

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

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. : (021) 34549345-9
E-Mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITORS' REPORT

To the members of Memon Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

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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Plot No. [illegible] Block A, [illegible]
Karachi [illegible] PAKISTAN
Tel. No. [illegible]
E-Mail: [illegible]
Website: [illegible]
Other Offices at
Lahore - [illegible]

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: [illegible]

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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: [illegible]

Memon Securities (Private) Limited

Statement of Financial Position
As at June 30, 2021

	Note	2021	2020
		——— Rupees ———	
ASSETS			
Non-current assets			
Property and equipment	4	6,365,619	8,328,795
Intangible assets	5	3,500,000	3,500,000
Investment property	6	1,498,056	1,576,901
Long term deposits	7	4,010,200	4,010,200
		15,373,875	17,415,896
Current assets			
Trade debts	8	6,334,413	1,840,855
Short term investments	9	890,246,023	588,663,905
Loan, prepayment, deposit and other receivables	10	4,090,253	1,240,682
Income tax refundable	11	15,320,897	15,262,468
Cash and bank balances	12	213,507,321	85,307,806
		1,129,488,907	692,315,716
Total assets		1,144,862,782	709,731,612
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	13	100,000,000	100,000,000
Issued, subscribed and paid up capital	13	97,400,000	97,400,000
Revenue reserves			
Unappropriated profit		621,064,405	470,871,245
General reserve		2,600,000	2,600,000
		623,664,405	473,471,245
		721,064,405	570,871,245
Current liabilities			
Trade and other payables	14	223,055,050	89,055,382
Short term borrowing	15	200,160,825	49,269,020
Unearned rental income		-	496,228
Accrued markup		582,502	39,737
		423,798,377	138,860,367
Contingencies and commitments	16		
Total equity and liabilities		1,144,862,782	709,731,612

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Memon Securities (Private) Limited

Statement of Profit or Loss
For the year ended June 30, 2021

	Note	2021	2020
		Rupees	
Operating revenue	17	88,909,202	60,825,270
Capital gain on sale of investments		26,359,535	537,064
		115,268,737	61,362,334
Administrative expenses	18	(65,032,301)	(42,943,589)
Finance costs	19	(2,415,665)	(1,378,900)
		(67,447,966)	(44,322,489)
Gain on re-measurement of investments		109,551,419	62,680,410
Other income	20	2,478,696	3,293,011
Profit before taxation		159,850,886	83,013,266
Taxation	21	(9,657,726)	(6,494,910)
Profit after taxation		150,193,160	76,518,356

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Memon Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	Rupees	
Profit after taxation	150,193,160	76,518,356
Other comprehensive income	-	-
Total comprehensive income for the year	150,193,160	76,518,356

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Memon Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2021

	Issued, subscribed and paid up capital	Revenue reserves		Total
		Unappropriated profit	General reserve	
	----- Rupees -----			
Balance as at June 30, 2019	97,400,000	394,352,889	2,600,000	494,352,889
Total comprehensive income for the year ended June 30, 2020				
- Profit after taxation	-	76,518,356	-	76,518,356
- Other comprehensive income	-	-	-	-
	-	76,518,356	-	76,518,356
Balance as at June 30, 2020	97,400,000	470,871,245	2,600,000	570,871,245
Total comprehensive income for the year ended June 30, 2020				
- Profit after taxation	-	150,193,160	-	150,193,160
- Other comprehensive income	-	-	-	-
	-	150,193,160	-	150,193,160
Balance as at June 30, 2021	97,400,000	621,064,405	2,600,000	721,064,405

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Memon Securities (Private) Limited

Statement of Cash Flows
For the year ended June 30, 2021

	Note	2021	2,020.00
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		159,850,886	83,013,266
Adjustment for non-cash and other items:			
Depreciation on property and equipment	4	869,830	1,316,607
Loss on disposal of property and equipment	4	15,246	-
Depreciation on investment property	6	78,845	82,995
Provision for expected credit losses on trade debts	8.1	-	-
Capital gain on sale of investments		(26,398,535)	(537,064)
Gain on re-measurement of investments		(109,851,419)	(62,680,410)
Finance cost	19	2,415,665	1,378,900
Profit on saving accounts	20	(1,588,650)	(2,591,420)
Profit on cash margin placed with PSX	20	(215,176)	(513,918)
Rental income	20	(474,870)	(110,273)
		(135,010,864)	(63,660,583)
Cash flow before working capital changes		24,840,022	19,352,683
Changes in working capital			
Decrease in current assets			
Trade debts		(4,293,558)	(586,966)
Purchase / sale of investments-net		(165,671,164)	(26,905,841)
Loan, prepayment, deposits and other receivables		(2,660,929)	4,733,323
		(172,625,651)	(20,759,484)
Increase in current liabilities			
Trade and other payables		133,999,668	14,126,042
Unearned income		(496,228)	496,228
		133,503,440	14,622,270
Cash (used in) / generated from operations		(14,282,189)	13,215,469
Finance cost paid		(1,872,900)	(1,339,163)
Income tax paid		(9,916,155)	(5,930,857)
Net cash (used in) / generated from operating activities		(26,071,244)	5,945,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(63,180)	-
Proceeds from sale property and equipment		1,142,080	26,842
Profit received on saving accounts		1,588,650	2,591,420
Profit received on cash margin placed with PSX		215,176	513,918
Rental income received		496,228	110,273
Net cash generated from investing activities		3,378,954	3,242,453
Net (decrease) / increase in cash and cash equivalents		(22,692,290)	9,187,902
Cash and cash equivalents at the beginning of the year		36,038,786	26,850,884
Cash and cash equivalents at the end of the year	22	13,346,496	36,038,786

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

Memon Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

Memon Securities (Private) Limited (the Company') is a private company incorporated in Pakistan on August 03, 2000 under the Companies Ordinance, 1984. The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Company's registered office is situated at Room No. 134, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi. The principal activity of the Company is to carry on the business of stock, brokerage, underwriting and investment etc.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

2.2 Basis of measurement

In these financial statements all items have been measured at their cost historical cost except for short term investments in quoted equity securities and units of mutual funds which are carried at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan 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 approved accounting 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, depreciation methods and residual values of property and equipment;	3.1
- Useful lives, amortisation methods and residual values of intangible assets;	3.2
- Useful lives, depreciation methods and residual values of investment property;	3.3
- Provision for taxation.	3.9

2.8 NEW ACCOUNTING PRONOUNCEMENTS

2.8.1 *Amendments to approved accounting standards and interpretations which became effective during the year.*

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.

2.8.2 *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.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 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 amendments are not likely to affect the financial statements of the Company.

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

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.

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

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. Further, when the written down value of the item of assets falls below Rs.10,000, the same is charged directly to the statement of profit or loss.

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

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss account.

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 Investment property

Investment properties are held for capital appreciation and is measured initially at its cost, including transaction costs. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 6 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each statement of financial position date.

3.4 Trade debts

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

3.5 **Cash and cash equivalents**

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

3.6 **Financial assets**

3.6.1 ***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 i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

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

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.

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

3.6.2 *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.

3.6.3 *Impairment*

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

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

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

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

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

3.6.4 *De-recognition*

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

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

3.7 **Financial liabilities**

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

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

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

3.8 **Offsetting of financial assets and financial liabilities**

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

3.9 **Taxation**

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

Current tax

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

Deferred tax

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

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or their is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

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

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

Offsetting

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

3.10 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.

3.11 Revenue recognition

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on client's behalf is recognized on the date of settlement of 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.

Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Dividend income

Dividends 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.

3.12 Other income

Interest income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Rental income from investment property

Rental income from investment property is recognized on accrual basis.

4 PROPERTY AND EQUIPMENT

	Offices	Furniture and fixtures	Office Equipment	Computers	Vehicles	Total
	Rupees					
At June 30, 2019						
Cost	3,450,000	485,037	1,782,174	1,323,873	9,194,798	16,235,882
Accumulated depreciation	(172,500)	(274,531)	(383,654)	(998,947)	(4,740,006)	(6,569,638)
Net book value	3,277,500	210,506	1,398,520	324,926	4,454,792	9,666,244
Movement during the year ended June 30, 2020						
Opening net book value	3,277,500	210,506	1,398,520	324,926	4,454,792	9,666,244
Disposals:						
Cost	-	-	-	-	(952,915)	(952,915)
Accumulated depreciation	-		-	-	926,073	926,073
	-	-	-	-	(26,842)	(26,842)
Depreciation charge	(163,875)	(21,050)	(139,852)	(97,478)	(888,352)	(1,310,607)
Closing net book value	3,113,625	189,456	1,258,668	227,448	3,539,598	8,328,795
At June 30, 2020						
Cost	3,450,000	485,037	1,782,174	1,323,873	8,241,883	15,282,967
Accumulated depreciation	(336,375)	(295,581)	(523,506)	(1,096,425)	(4,702,285)	(6,954,172)
Net book value	3,113,625	189,456	1,258,668	227,448	3,539,598	8,328,795
Movement during the year ended June 30, 2021						
Opening net book value	3,113,625	189,456	1,258,668	227,448	3,539,598	8,328,795
Additions	-	-	-	63,180	-	63,180
Disposals:						
Cost	-	-	-	-	(1,784,500)	(1,784,500)
Accumulated depreciation	-		-	-	627,174	627,174
	-	-	-	-	(1,157,326)	(1,157,326)
Depreciation charge	(155,681)	(18,946)	(125,867)	(80,987)	(487,549)	(869,030)
Closing net book value	2,957,944	170,510	1,132,801	209,641	1,894,723	6,365,619
At June 30, 2021						
Cost	3,450,000	485,037	1,782,174	1,387,053	6,457,383	13,561,647
Accumulated depreciation	(492,056)	(314,527)	(649,373)	(1,177,412)	(4,562,660)	(7,196,028)
Net book value	2,957,944	170,510	1,132,801	209,641	1,894,723	6,365,619
Depreciation rate (% per annum)	5%	10%	10%	30%	20%	

5 INTANGIBLE ASSETS	Note	2021	2020
		Rupees	
Membership Card - PMEX		1,000,000	1,000,000
Trading Right Entitlement Certificate - PSX	5.1	2,500,000	2,500,000
		3,500,000	3,500,000

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

6 INVESTMENT PROPERTY

	2021	2020
	Rupees	
Opening net book value	1,576,901	1,659,896
Less: Depreciation charge for the year	(78,845)	(82,995)
Closing net book value	1,498,056	1,576,901
	5%	5%

6.1 The Company measure its investment properties using cost model. As at the reporting date, the fair value of investment properties amounting to Rs. 2.3 million (2020: Rs 2 million), calculated on the basis of present market values for similar sized of properties in the vicinity and replacement values of similar type of properties adjusted for depreciation factor for the existing assets in use.

7 LONG TERM DEPOSITS

	2021	2020
	Rupees	
Deposit placed with:		
Pakistan Mercantile Exchange Limited		
-Basic deposit	2,500,000	2,500,000
Central Depository Company of Pakistan Limited		
-Basic deposit	100,000	100,000
National Clearing Company of Pakistan Limited		
-Basic deposit	200,000	200,000
-Ready market	200,000	200,000
-Future market	1,000,000	1,000,000
	1,400,000	1,400,000
Others	10,200	10,200
	4,010,200	4,010,200

8 TRADE DEBTS

	2021	2020
Considered good- secured	6,134,413	1,840,855
Considered doubtful- unsecured	101,047	93,318
	6,235,460	1,934,173
Less: Provision for expected credit losses	(101,047)	(93,318)
	6,134,413	1,840,855

8.1 Movement in provision for doubtful debts

	2021	2020
Balance at the beginning of the year	93,318	206,102
Add: Charge for the year	7,729	-
Less: Written off during the year	-	(112,784)
Balance at the end of the year	101,047	93,318

9 SHORT TERM INVESTMENTS

	2021	2020
Quoted equity securities carried at fair value through profit or loss		
Investment in quoted equity securities	890,246,023	588,663,905

9.1 **Investment in quoted equity securities**

Scrips			Market Value	
2020	2021	Scrip name	2021	2020
3,550	3,550	ABBOTT LABORATORIES (PAKISTAN) LIMITED	2,812,878	2,353,650
54	-	AGP LIMITED	-	5,925.96
-	417,000	AISHA STEEL MILLS LIMITED	10,387,470	-
1,000	1,000	AKZO NOBEL PAKISTAN LIMITED	270,000	270,000
-	275,500	AL SHAHEER CORPORATION LIMITED	5,490,735	-
1,250	1,250	AL-GHAZI TRACTORS LIMITED	455,700	474,755
-	119,500	AMRELI STEELS LIMITED	5,391,000	-
78,100	78,100	ATTOCK PETROLEUM LIMITED	22,504,203	21,394,520
173,000	58,000	ATTOCK REFINERY LIMITED	14,874,100	15,452,360
7,500	-	ARIF HABIB LIMITED	-	243,975
5,000	-	ASKARI BANK LIMITED	-	68,550
-	81,500	AVANCEON LIMITED	7,473,920	-
-	160,000	AZGARD NINE LIMITED	5,422,400	-
-	18,000	BAWANY AIR PRODUCTS LIMITED	246,420	-
5,500	-	BANK ALFALAH LIMITED	-	184,635
4,000	-	BANK AL HABIB LIMITED	-	209,200
6,300	16,300	BESTWAY CEMENT LIMITED	2,632,776	684,999
-	328,500	BYCO PETROLEUM PAKISTAN LIMITED	3,811,885	-
65,450	3,500	CHERAT CEMENT COMPANY LIMITED	620,830	5,705,277
157,500	77,500	D.G. KHAN CEMENT COMPANY LIMITED	9,338,800	13,439,675
9,200	-	DAWOOD HERCULES CORPORATION LIMITED	-	1,178,864
56,320	39,821	ENGRO CORPORATION LIMITED	10,733,665	16,497,254
-	46,000	ENGRO FERTILIZERS LIMITED	3,232,420	-
1,193	88,693	ENGRO POLYMER & CHEMICALS LIMITED	4,389,857	29,801
3,159,500	3,159,500	FAUJI CEMENT COMPANY LIMITED	77,248,500	56,708,340
500	77,193	FAUJI FERTILIZER BIN QASIM LIMITED	2,018,614	7,980
1,569,000	1,569,000	FAUJI FERTILIZER COMPANY LIMITED	164,470,980	172,574,310
300	2,860	FERGZSONS LABORATORIES LIMITED	1,009,265	90,129
-	32,500	GHANDHARA NISSAN LIMITED	3,549,975	-
-	275,500	GHANI GLOBAL HOLDINGS LIMITED	13,675,820	-
3,600	66,000	GUL AHMED TEXTILE MILLS LIMITED	3,348,180	103,068
2,000	-	GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKIST/	-	543,360
41,100	-	THE GENERAL TYRE & RUBBER COMPANY OF PAKISTA/	-	2,445,450
-	39,000	HABIB INSURANCE COMPANY LIMITED	315,900	-
760,000	467,500	HASCOL PETROLEUM LIMITED	4,374,775	10,336,000
-	1,000	HONDA ATLAS CARS (PAKISTAN) LIMITED	245,780	-
-	823,000	HUM NETWORK LIMITED	6,600,460	-
42,050	43,050	ICI PAKISTAN LIMITED	35,664,210	29,212,556
1,000	2,000	IGI HOLDINGS LIMITED	387,120	180,960
3,000	3,000	INDUS MOTOR COMPANY LIMITED	3,862,751	3,944,569
41,850	47,050	INTERNATIONAL INDUSTRIES LIMITED	9,928,491	3,838,901
6,000	68,000	INTERNATIONAL STEELS LIMITED	6,253,880	309,900
418,000	401,000	K-ELECTRIC LIMITED	1,676,180	1,258,180
6,000	8,500	KOHAT CEMENT COMPANY LIMITED	1,755,165	824,700
27,500	64,500	KOHINOOR TEXTILE MILLS LIMITED	4,850,400	976,525
-	1,000	KOT ADDU POWER COMPANY LIMITED	44,270	-
100,000	3,000	LALPIR POWER LIMITED	49,300	1,367,000
4,500	196,500	LOTTE CHEMICAL PAKISTAN LIMITED	9,209,960	44,775
17,400	17,400	LUCKY CEMENT LIMITED	15,025,856	8,853,492

Scrip			Market Value	
2020	2021	Scrip name	2021	2020
424	110,924	MAPLE LEAF CEMENT FACTORY LIMITED	5,211,218	33,830
27,234	27,314	MARI PETROLEUM COMPANY LIMITED	42,551,822	33,802,591
-	305,000	MERIT PACKAGING LIMITED	1,854,300	-
1,175	6,946	MILLAT TRACTORS LIMITED	7,098,971	829,738
25,000	57,000	MUGHAL IRON AND STEEL INDUSTRIES LIMITED	5,559,000	1,395,000
-	2,500	NATIONAL BANK OF PAKISTAN	91,425	-
2,300	5,500	NATIONAL REFINERY LIMITED	2,877,345	246,744
-	16,500	NETSOL TECHNOLOGIES LIMITED	2,884,679	-
-	375,500	NIMIR RESINS LIMITED	3,536,325	-
-	195,000	NISHAT CHUNIAN LIMITED	9,665,290	-
53,500	16,000	NISHAT MILLS LIMITED	1,492,800	4,173,535
34,700	107,700	OIL & GAS DEVELOPMENT COMPANY LIMITED	10,224,711	3,782,300
5,450	5,450	PACKAGES LIMITED	2,971,340	1,892,295
150,000	335,000	PAK ELEKTRON LIMITED	11,745,100	3,439,500
171	17,471	PAK SUZUKI MOTOR COMPANY LIMITED	6,209,892	27,473
250,000	12,000	PAKGEN POWER LIMITED	295,920	3,002,500
234,000	878,500	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED	9,997,230	2,076,800
250,910	250,910	PAKISTAN OILFIELDS LIMITED	98,822,413	87,976,573
1,560	4,872	PAKISTAN OXYGEN LIMITED	941,160	259,230
347,170	278,170	PAKISTAN PETROLEUM LIMITED	24,153,501	31,863,023
4,500	16,500	PAKISTAN STATE OIL COMPANY LIMITED	3,719,859	1,041,958
-	540,500	PAKISTAN TELECOMMUNICATION COMPANY LIM	4,399,520	-
250,000	36,400	PIONEER CEMENT LIMITED	4,770,948	22,120,736
-	214,000	POWER CEMENT LIMITED	2,056,540	-
-	221,500	POWER PREF SHARES	2,390,475	-
1,555,453	1,610,453	PAKISTAN STOCK EXCHANGE LIMITED	25,929,204	15,290,983
173,500	173,500	SAIF POWER LIMITED	2,972,810	2,776,005
-	27,000	SAZGAR ENGINEERING WORKS LIMITED	4,541,670	-
-	10,000	SECURITY PAPERS LIMITED	1,645,700	-
7,000	16,000	SHABBIR TILES & CERAMICS LIMITED	404,900	77,840
300	600	SHELL PAKISTAN LIMITED	105,120	54,774
-	265,000	SIDDIQSONS TIN PLATE LIMITED	5,072,100	-
-	216,000	SUI NORTHERN GAS PIPELINES LIMITED	10,495,280	-
-	140,000	SUI SOUTHERN GAS COMPANY LIMITED	1,875,300	-
-	126,000	TARIQ GLASS INDUSTRIES LIMITED	13,461,800	-
4,500	4,500	THAL LIMITED	2,748,075	2,152,110
-	100	THE GENERAL TYRE & RUBBER COMPANY OF PA	8,783	-
300	-	TRI-PACK FILMS LIMITED	-	27,324
-	122,500	THE HUB POWER COMPANY LIMITED	8,759,575	-
2,001	14,000	THE SEARLE COMPANY LIMITED	3,396,680	398,659
-	475,000	TREET CORPORATION LIMITED	21,408,771	-
-	95,000	TRG PAKISTAN LIMITED	15,468,690	-
-	158,500	UNITY FOODS LIMITED	7,056,420	-
10	-	WYETH PAKISTAN LIMITED	-	8,750
-	205,000	WAVES SINGER PAKISTAN LTD	5,588,300	-
10,486,643	17,063,843		890,246,823	388,463,903

		Note	2021	2020
			---------- Rupees ----------	
9.2	**Details of securities pledged**			
	Pledged with banks			
	Brokerage House		419,630,525	294,480,310
	Pledged with PSX / NCCPL			
	Brokerage House		169,408,009	104,726,360
10	**LOAN, PREPAYMENT, DEPOSIT AND OTHER RECEIVABLES**			
	Loan			
	-Staff loan		572,500	333,400
	Prepayment			
	-Prepaid insurance		34,395	36,008
	Rent receivable		178,642	-
	Other receivables			
	-Receivable from NCCPL against profit held on Deliverable Futures Contracts - net		3,294,716	359,760
	-Receivable from PSX against excess amount deposited in respect of losses on DFCs		-	454,660
	-Receivable from PSX against ready market		-	56,854
			4,080,253	1,240,682
11	**INCOME TAX REFUNDABLE**			
	Opening balance		15,262,468	15,826,521
	Advance tax paid during the year		9,916,155	5,930,857
			25,178,623	21,757,378
	Provision for taxation - current		(9,657,726)	(5,831,079)
	Provision for taxation - prior		-	(663,831)
			(9,657,726)	(6,494,910)
	Closing balance		15,520,897	15,262,468
12	**CASH AND BANK BALANCES**			
	Cash in hand		9,356	8,071
	Cash at bank			
	-Current accounts		213,295,173	85,139,409
	-Saving accounts	*12.1*	202,792	160,326
			213,497,965	85,299,735
			213,507,321	85,307,806

12.1 The return on these balances is 5.50% to 5.75% (2020: 5.5% to 7.5%) per annum on daily product basis.

12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 212.666 million (2020: Rs. 84.27 million).

13 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		2021	2020
----Number of shares----			---------- Rupees ----------	
		Authorized capital:		
1,000,000	1,000,000	Ordinary shares of Rs. 100/- each	**100,000,000**	100,000,000
		Issued, subscribed and paid-up :		
		Ordinary shares of Rs. 100/- each		
974,000	974,000	issued as fully paid in cash	**97,400,000**	97,400,000

13.1 There are no agreements with shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

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

Categories of shareholders	2021		2020	
	Number of shares held	**% of Shares held**	Number of shares held	% of Shares held
Individuals				
Ibrahim Ahmed Memon	1,000	0.10%	287,000	29.47%
Muhammad Amin Memon	873,000	89.63%	587,000	60.27%
Emaan Amin	50,000	5.13%	50,000	5.13%
Muhammad Mustafa Amin	50,000	5.13%	50,000	5.13%
	974,000	100.00%	974,000	100.00%

13.3 During the year on March 31, 2021 Mr Ibrahim Ahmed Memon transfer his 99% shares to his son Mr. Muhammad Amin Memon.

14 **TRADE AND OTHER PAYABLES**	2021	2020
	---------- Rupees ----------	
Trade payables	210,881,762	84,278,803
Accrued expenses	2,519,550	3,689,517
Profit on DFCs withheld by PSX and payable to clients	6,902,645	425,330
Payable to client against DFC exposure demand	2,585,159	507,064
Others	165,934	154,668
	223,055,050	89,055,382

15 **SHORT TERM BORROWING**

Running finance	200,160,825	49,269,020

15.1 This represents the amount availed against a running finance facility obtained by the Company from M/s. Bank Al-Habib Limited in order to meet its working capital requirements. As of the reporting date, the limit of the facility was Rs. 300 million (2020: Rs. 200 million). The facility is secured against pledge over shares of listed companies quoted at Pakistan Stock Exchange Limited (as per bank approved list) and lien over Treasury Call account. The facility carries markup at the rate of 3-Month KIBOR +1 % p.a. (2020: 3-Month KIBOR +1 % p.a.).

15.2 As of the reporting date, the amount of unavailed facility was Rs. 99.839 million (2020: Rs. 150.731 million).

16 **CONTINGENCY AND COMMITMENT**

16.1 **Contingency**

The Additional commissioner Inland Revenue amended the deemed assessment u/s 122 (5A) of income tax ordinance for the tax year 2015 vide order dated May 18, 2017 by making various additions and apportionment of expenses to the income and created a demand of Rs. 1,648,514/-. The company have filed an appeal before CIR(A). The hearing of the same is pending. The management of the company is confident that this case will be decided in its favor.

16.2 Commitment

	Note	Rupees	
Revolving guarantee given by a Habib Metropolitan Bank Limited on behalf of the Company in favour of National Clearing Company of Pakistan Limited against DFC exposure		15,000,000	8,000,000

17 OPERATING REVENUE

Commission income	47,259,605	24,392,526
Dividend income	41,649,597	36,432,744
	88,909,202	60,825,270

18 ADMINISTRATIVE EXPENSES

	Note		
Salaries, commission, benefits and allowances		40,336,305	24,858,300
Directors' remuneration	18.1	4,800,000	4,800,000
PSX service charges		2,461,290	1,046,403
CDC charges		2,084,524	1,218,012
NCCPL and other charges		1,763,654	870,316
Insurance expenses		115,677	82,680
Printing and stationery		121,968	116,138
Fees and subscription		2,624,734	1,787,462
Communication		518,666	351,207
Legal and professional		685,840	260,894
Auditors' remuneration - Audit fee		400,000	350,000
Vehicle running expenses		274,085	264,232
Donation	18.3	4,950,000	2,615,000
Rent, rates & taxes		909,550	577,900
Travelling and conveyance		288,438	1,963,898
Entertainment		519,294	184,779
Repairs and maintenance		529,973	100,500
Depreciation		947,875	1,393,602
General expenses		521,771	102,266
Provision for doubtful debt		7,729	
Debtors written off		155,682	-
Loss on disposal of property and equipment		15,246	-
		65,832,301	42,943,589

18.1 Chief Executive, Director and Executives Remuneration

	Chief Executive		Directors		Total	
	2021	2020	2021	2020	2021	2020
	Rupees					
Basic salary	1,598,400	1,600,008	1,598,400	1,600,008	3,196,800	3,200,016
House allowance	641,760	639,984	641,760	639,984	1,283,520	1,279,968
Utility allowance	159,840	160,008	159,840	160,008	319,680	320,016
	2,400,000	2,400,000	2,400,000	2,400,000	4,800,000	4,800,000
Number of persons	1	1	1	1	2	2

18.2 The Chief Executive and Director have also been provided with free use of the Company maintained cars.

18.3 The parties to whom donation the donation paid by the Company exceeds or equals to Rs. 1 million are as follows:

	2021	2020
	Rupees	
M/s. Dar ul Sukun	1,000,000	-
M/s. The Kidney Centre	1,000,000	
M/s. The Jetpure Memon Association	1,000,000	
M/s. Indus Hospital	-	1,000,000

18.4 None of the directors of the Company or their spouses had any interest in the donee organizations.

	2021	2020
	Rupees	
19 FINANCE COSTS		
Markup on running finance	2,176,225	1,268,626
Bank charges	239,440	110,274
	2,415,665	1,378,900
20 OTHER INCOME		
Profit on saving accounts	1,588,650	2,591,420
Profit on cash margin placed with NCCPL	215,176	513,918
Rental Income	674,870	110,273
Other	-	77,400
	2,478,696	3,293,011
21 TAXATION		
Current	9,657,726	5,831,079
Prior	-	663,831
	9,657,726	6,494,910

21.1 Reconciliation of the tax expense with accounting profit

	2021	2020
Accounting profit before tax	159,850,886	83,013,266
Tax at the applicable rate of 29% (2020: 29%)	46,356,757	24,073,847
Tax effect of gain on re-measurement of investments	(31,769,912)	(18,177,319)
Tax effect of income taxed at lower rate - capital gain	(3,696,335)	(155,749)
Tax effect of income taxed at lower rate - dividend income	(6,613,192)	(3,721,963)
Tax effect of minimum tax	2,172,987	4,595,753
Tax effect of inadmissible expenses	1,435,500	758,350
Effect of prior tax	-	663,831
Others	1,768,951	(1,541,840)
	9,657,726	6,494,910

21.2 The income tax assessments of the Company have been finalised up to and including the tax year 2020. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for re-assessment 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 the purpose of issuing an amended assessment order.

22 CASH AND CASH EQUIVALENTS

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

	Note	2021	2020
		Rupees	
Cash and bank balances	12	213,507,321	85,307,806
Short term borrowings	15	(200,160,825)	(49,269,020)
		13,346,496	36,038,786

23 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Company, directors and their close family members. Remuneration of the Chief Executive and Directors is disclosed in note 18.1 to the financial statements.

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 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted / discharge an obligation / commitment that it has entered into with the Company. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2021	2020
	Rupees	
Long term deposits	4,010,200	4,050,200
Trade debts	6,142,142	1,840,855
Loan, deposit and other receivables	4,045,858	1,204,674
Bank balances	213,497,965	85,299,725
	227,696,165	92,395,454

Impairment losses:

As of the reporting date, the risk profile of the trade receivables as of the reporting date is as follows:

	2021		2020	
	Gross	**Life time expected credit losses**	Gross	Life time expected credit losses
	Rupees			
Past due 1 day - 30 days	**5,123,011**	-	650,617	-
Past due 31 days - 180 days	**280,371**	-	273,592	-
Past due 181 days - 1 year	**156,458**	-	327,530	-
More than 1 year	**675,620**	**(101,047)**	683,034	(93,318)
	6,235,460	**(101,047)**	1,934,773	(93,318)

At each reporting date, Company assessed its trade debts for impairment, however, based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment other than above. None of the other financial assets are either past due or impaired.

The Company held collaterals in respect of trade debts. The Company have trade receivable for which no loss allowance is recognised because of collaterals held.

The credit quality of Company's bank balances as at the balance sheet date can be assessed with reference to external credit ratings as follows:

Bank	**Rating agency**	**Short-term Rating**	2021	2020
			Rupees	
Bank Al-Habib Limited	PACRA	A-1+	212,239,271	83,894,669
Habib Metropolitan Bank Limited	PACRA	A-1+	852,734	893,831
MCB Bank Limited	PACRA	A-1+	113,926	113,926
Bank Alfalah Limited	PACRA	A-1+	30,125	30,125
National Bank of Pakistan	PACRA	A-1+	219,241	324,516
Habib Bank Limited	JCR-VIS	A-1+	42,668	42,668
			213,497,965	85,299,735

24.1.2 ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has facilities of running finance to meet any deficit, if required to meet the short term liquidity commitment.

	2021			
	Carrying amount	**Contractual Cash flows**	**Up to one year**	**More than one year**
Financial liabilities				
Trade and other payables	223,055,050	(223,055,050)	(223,055,050)	-
Short term borrowing	200,160,825	(200,160,825)	(200,160,825)	-
Accrued markup	582,502	(582,502)	(582,502)	-
	423,798,377	**(423,215,875)**	**(423,215,875)**	-

	2020			
	Carrying amount	Contractual Cash flows	Up to one year	More than one year
Financial liabilities				
Trade and other payables	89,055,382	(89,055,382)	(89,055,382)	-
Short term borrowing	49,269,020	(49,269,020)	(49,269,020)	-
Accrued markup	39,737	(39,737)	(39,737)	-
	138,364,139	(138,324,402)	(138,324,402)	-

24.1.3 ***Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

(a) *Currency risk*

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 any foreign currency risk as all its transactions were carried out in Pak Rupees.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and deposits held with banks in PLS accounts.

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

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - *pls account*	5.5%-5.75%	5.5%-7.5%	202,792	160,326
Financial liabilities				
Short term borrowing	3-Month KIBOR +1%	3-Month KIBOR +1%	200,160,825	49,269,020

Sensitivity analysis

Fair value sensitivity

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 will not affect fair value of financial instrument.

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, remains constant.

	Effect on profit before tax	
	100 bp increase	100 bp decrease
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instruments	(1,999,580)	1,999,580
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial instruments	(491,087)	491,087

(ii) *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 10% 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***	**890,246,023**	**10% increase**	**979,270,625**	**89,024,602**
			10% decrease	**801,221,421**	**(89,024,602)**
June 30, 2020	*Rupees*	588,663,905	10% increase	647,530,296	58,866,391
			10% decrease	529,797,515	(58,866,391)

	2021	2020
24.2 Financial instruments by categories	Rupees	
Financial assets		
At fair value through profit or loss		
Short term investments	890,246,023	588,663,905
At amortized cost		
Long term deposits	4,010,200	4,010,200
Trade debts	6,134,413	1,840,855
Loan, deposit and other receivables	4,045,858	1,240,682
Cash and bank balances	213,507,321	85,307,806
	1,117,943,815	681,063,448
Financial liabilities		
At amortized cost		
Trade and other payables	223,055,050	89,055,382
Short term borrowing	200,160,825	49,269,020
Accrued markup	582,502	39,737
	423,798,377	138,364,139

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.

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

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

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
June 30, 2021	Rupees			
Short term investments	**890,246,823**	-	-	**890,246,823**
	890,246,823	-	-	**890,246,823**

	Level 1	Level 2	Level 3	Total
June 30, 2020	Rupees			
Short term investments	588,663,905	-	-	588,663,905
	588,663,905	-	-	588,663,905

25 CAPITAL

25.1 Capital management

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.

25.2 Capital Adequacy level

The Capital Adequacy Level of the Company as of the reporting date was as follows:

	Note	2021	2020
		Rupees	
Total assets	*25.2.1*	**1,144,862,782**	709,731,612
Less: Total liabilities		**(423,798,377)**	(138,860,367)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-	-
Capital adequacy level		**721,064,405**	570,871,245

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

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

DESCRIPTION	VALUATION	RUPEES
Current assets		
Cash and bank balances	As per Book Value	213,507,321
Trade receivables	Book Value less overdue for more than 14 days	8,369,859
Investment in listed securities in the name of broker.	Securities marked to market less 15% discount	722,498,620
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	856,702
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 bills	At market value	-
		945,232,502
Current liabilities		
Trade payables	Book value less overdue for more than 30 days	169,609,123
Other liabilities	As per Book values	254,189,254
		423,798,377
Net capital balance as at June 30, 2021		521,434,125

		Rupees
1	**Cash and bank balances**	
	Cash in hand	9,356
	Deposit against exposure and Losses	-
	Bank balance pertaining to clients	212,666,291
	Bank balance pertaining to brokerage house	831,674
		213,507,321
2	**Trade receivables**	
	Book value	6,235,460
	Less: Overdue for more than 14 days	(1,160,317)
		5,075,143
	Balance against unsettled trade	3,294,716
		8,369,859
3	**Investment in Listed Securities in the name of broker**	
	Securities marked to market	849,998,377
	Less 15% discount	(127,499,757)
		722,498,620
4	**Securities purchased for client**	
	Overdue balance for more than 14 days -gross value	1,160,317
	Lower of overdue balance and securities held against such balance	856,702
5	**Trade payables**	
	Book value	210,881,762
	Less: overdue for more than 30 days	(41,272,639)
		169,609,123
6	**Other liabilities**	
	Creditors overdue for more than 30 days	41,272,639
	Short term borrowings	200,168,825
	Accrued Liabilities and Other Payables	12,755,790
		254,189,254

25.4 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	7,863,675	100.00%	-
1.2	Intangible Assets	1,500,000	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.	849,998,377	129,143,821	720,854,556
	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.	40,247,646	40,247,646	-
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 Securities 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.	4,000,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-
1.11	Other deposits and prepayments	223,237	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.		-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.***)	-	-	-
1.15	1) Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	572,500	-	572,500
	2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	15,520,897	100.00%	-
	3) In all other cases, 100% of net value	-	-	-
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.	3,294,716	-	3,294,716

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.	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	5.00%	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	[illegible]	-	[illegible]
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	[illegible]	[illegible]	[illegible]
	vi. 100% haircut in the case of amount receivable form related parties.	-	100.00%	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietory accounts	[illegible]	-	[illegible]
	ii. Bank balance-customer accounts	[illegible]	-	[illegible]
	iii. Cash in hand	[illegible]	-	[illegible]
1.19	Total Assets	[illegible]		[illegible]
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	[illegible]	-	[illegible]
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	[illegible]	-	[illegible]
	iii. Short-term borrowings	[illegible]	-	[illegible]
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities	-		
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-		
	ii. Staff retirement benefits	-		
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-		
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.4	Subordinated Loans	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	Total Liabilities	423,798,377		423,798,377
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights 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 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 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 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	-	-	-

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 requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of 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 Liabilites	-	-	-
		[illegible]	Liquid Capital	[illegible]

26 **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 June 30	28	26
Average number of employees during the year	28	27

27 **GENERAL**

27.1 **Date of authorization of the financial statements**

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on [illegible] SEP 2021

27.2 Figures in these financial statements have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**