INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of **Continental Capital Management (Private) Limited** which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit except for the matter stated in the *Basis for Qualified Opinion* section of our report.

In our opinion, except for possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 and other comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We could not verify the existence and valuation of advance against purchase of offices as on June 30, 2021, to the extent of Rs. 11.407 million, out of the total balance of Rs. 13.907 million as disclosed in note no. 6 to the financial statements.

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

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.

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

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Iqbal**.

RHZ Reanda Haroon Zakaria & Co

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: October 01, 2021

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**18,913,917**	21,016,031
Intangibles	5	**5,882,569**	5,885,086
Long term advance and deposits	6	**17,485,243**	17,607,743
Deferred tax asset	7	-	-
		42,281,729	44,508,860
Current Assets			
Trade debts	8	**15,442,802**	27,243,472
Short term loans	9	**97,054,243**	102,914,582
Deposits, prepayments and other receivables	10	**104,780,114**	71,564,904
Short term investments	11	**978,792**	11,086,480
Tax refunds due from the Government	12	**7,431,226**	7,819,136
Cash and bank balances	13	**5,253,229**	231,343
		230,940,406	220,859,917
Total Assets		**273,222,135**	265,368,777
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
500,000 Ordinary shares of Rs. 100 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up capital	14	**35,000,000**	35,000,000
Reserves		**220,416,955**	217,498,893
Shareholders' equity		**255,416,955**	252,498,893
Non-Current Liabilities			
Lease liabilities	15	**3,537,107**	3,984,815
Current Liabilities			
Current maturity of lease liabilities	15	**6,785,437**	7,742,279
Trade and other payables	16	**6,189,463**	697,566
Short term borrowings	17	**166,324**	10,583
Accrued markup		**1,126,849**	434,641
		14,268,073	8,885,069
Contingencies and commitments	18		
Total Equity and Liabilities		**273,222,135**	265,368,777

The annexed notes from 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	***2021*** ***Rupees***	*2020* *Rupees*
Operating revenue	19	**525,153**	107
Operating and administrative expenses	20	**(10,964,676)**	(11,284,829)
Operating loss		**(10,439,523)**	(11,284,722)
Finance cost	21	**(1,195,913)**	(1,432,294)
Other charges	22	**(454,000)**	(27,452,691)
Other income	23	**15,399,090**	15,866,254
Profit / (loss) before taxation		**3,309,654**	(24,303,453)
Taxation - net	24	**(391,592)**	(472,530)
Profit / (loss) after taxation		**2,918,062**	(24,775,983)
Other comprehensive income		**-**	-
Total comprehensive income / (loss) for the year		**2,918,062**	(24,775,983)

The annexed notes from 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Description	*Issued, Subscribed and Paid-up Share Capital*	*Revenue Reserves* *Unappropriated Profits*	*Shareholders' Equity*
	---------- *Rupees* ----------		
Balance as at June 30, 2019	35,000,000	242,274,876	277,274,876
Total comprehensive loss for the year	-	(24,775,983)	(24,775,983)
Balance as at June 30, 2020	**35,000,000**	**217,498,893**	**252,498,893**
Total comprehensive income for the year	-	**2,918,062**	**2,918,062**
Balance as at June 30, 2021	**35,000,000**	**220,416,955**	**255,416,955**

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

The annexed notes from 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**3,309,654**	(24,303,453)
Adjustments for:			
Depreciation	20	**2,102,115**	2,335,927
Amortization	20	**2,517**	3,147
Financial cost	21	**1,195,913**	1,432,294
Remeasurement (gain) / loss on investments - net	22 & 23	**(172,453)**	2,816,966
Capital (gain) / loss on disposal of investments - net	22 & 23	**(4,683,442)**	24,280,725
Markup income on loans to related parties	23	**(10,419,832)**	(15,739,252)
		(11,975,182)	15,129,807
Cash used in operating activities before working capital changes		**(8,665,528)**	(9,173,646)
Changes in working capital			
(Increase) / decrease in current assets			
Trade debts		**11,800,670**	210,130
Short term loans		**5,860,339**	14,330,947
Deposits, prepayments and other receivables		**(22,795,378)**	13,841,533
Increase in current liabilities			
Trade and other payables		**5,491,895**	49,911
Working capital changes		**357,526**	28,432,521
Net cash (used) / generated from operations		**(8,308,002)**	19,258,875
Finance cost paid		**(150,088)**	(206,338)
Long term deposits adjusted - net		**122,500**	-
Taxes paid	12.1	**(3,682)**	(91,008)
Net cash (used in) / generated from operating activities		**(8,339,272)**	18,961,529
B. CASH FROM INVESTING ACTIVITIES			
Short term investments sold / (made) - net		**14,963,583**	(15,530,111)
Net cash generated / (used) in investing activities		**14,963,583**	(15,530,111)
C. CASH FROM FINANCING ACTIVITIES			
Lease rentals paid	15	**(1,758,167)**	(3,579,824)
Short term borrowings obtained / (repaid) - net		**155,741**	(178,587)
Net cash used in financing activities		**(1,602,426)**	(3,758,411)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**5,021,885**	(326,993)
Cash and cash equivalents at the beginning of the year	13	**231,343**	558,336
Cash and cash equivalents at the end of the year	13	**5,253,229**	231,343

The annexed notes from 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

1 THE COMPANY AND GENERAL INFORMATION

Continental Capital Management (Private) Limited (the Company) was incorporated in Pakistan on January 06, 2000 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a holder of Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange Limited - PSX. The registered office of the Company is situated at 7-10, Hina Palace, Hoshang Road, Karachi. The Company's principal business include share brokerage, money market transactions, underwriting and portfolio management. The Company also executes its operations from 708, 7th Floor, Business and Finance Center, I.I. Chundrigar Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act) and provisions of and directives issued under the Act. Where provisions of or directives issued under the Act differ from the IFRS Standards, the provisions of or directives issued under the Act have been followed.

Company falls under the category of medium size company, in accordance with the Third Schedule to the Act, however, the management has applied IFRS standards voluntarily for the fair and consistent presentation.

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

Further, disclosures of liquid capital (note no. 28) and net capital balance (note no. 29) are prepared to meet the specific requirements of the Securities and Exchange Commission of Pakistan (SECP) in accordance with the guidelines given under the Second and Third Schedule to the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with clarifications and guidelines issued by the SECP from time to time.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 *Critical accounting estimates and judgments*

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Review of useful life and residual value of property and equipment (note 3.1 and 4);

Intangibles (note 3.2 and 5);

Assumptions and estimates used in calculating the provision for ECL on trade debts (note 3.4 and 8);

Assumptions and estimates used in calculating the provision for doubtful loans, advances and other receivables (note 3.6, 3.7, 6, 9 and 10);

Revenue recognition (note 3.13 and 19); and

Provision for taxation including deferred tax (note 3.14, 7 and 24).

2.5 *New standards, amendments to standards and IFRS interpretations that are effective for the June ended June 30, 2021*

The following amendments to accounting standards are effective for the year ended June 30, 2021. Except as explained otherwise, these standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IFRS 3 'Business Combinations': Amendments to clarify the definition of a business	January 1, 2020
Amendments to IFRS 16 'Leases': Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	June 1, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of material	January 1, 2020
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 *Amendments to standards and IFRS interpretations that are not yet effective*

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or
Amendments to IFRS 4 'Insurance Contracts': Amendments regarding the expiry date of the deferral approach	January 1, 2023
Amendments to IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 16 'Leases', IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
Amendments to IFRS 16 'Leases': Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	April 1, 2021
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and disclosure of accounting policies	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates	January 1, 2023
Amendments to IAS 16 'Property, Plant and Equipment': Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 17 - Insurance Contracts

3 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

3.1 *Property and equipment*

Owned

These are stated at cost less accumulated depreciation and accumulated impairment (if any). The depreciation is charged to income applying the reducing balance method at the rates specified in the relevant note to the financial statements. Depreciation is charged from the month in which the depreciable assets are available for use while no depreciation is charged in the month of disposal.

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

Assets are derecognized when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of assets, if any, are recognized in the statement of profit or loss, as and when incurred.

Right-of-use assets and lease liabilities

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are initially measured based on the initial amount of lease liabilities adjusted for any principle lease payments made at or before the commencement date, plus any initial direct costs incurred. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. These are depreciated on the same basis as owned assets at the rates as disclosed in note 4.1 to these financial statements. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

The related lease liabilities are initially measured at the present value of remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, any change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its estimate of whether it will exercise a purchase or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use has been reduced to zero.

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

3.2 Intangible assets

Membership Card - Pakistan Mercantile Exchange Limited and PSX Trading Booth

These are stated at cost less impairment, if any. These are not amortized due to the fact that these have an indefinite useful life. Useful life can not be ascertained as it is unknown that how long the member will hold the card and the booth. 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.

Trading Rights Entitlement Certificate (TREC)

This was initially measured at apportioned value of carrying value of surrendered card which is apportioned between TREC and shares of Pakistan Stock Exchange Limited (PSX). It is not amortized due to the fact that these have an indefinite useful life. Useful life can not be ascertained as it is unknown that how long the member will hold the TREC. Subsequent to its initial recognition, it is measured at cost less impairment, if any. Impairment test is done to assess whether the carrying value is in excess of its recoverable amount, and where the carrying amount exceeds the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amounts.

Software and remote terminals

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

Amortization is charged to statement of profit or loss account by applying the reducing balance method at the rates specified in the relevant note. Amortization is charged from the month of acquisition of amortizable assets till the month of disposal.

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

3.3 *Financial assets and liabilities*

3.3.1 *Initial recognition*

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received plus or minus transaction costs (except financial asset at FVTPL where transaction costs are charged to profit or loss). These are subsequently measured at fair value or amortized cost as the case may be.

3.3.2 *Classification of financial assets*

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income provided that the investment is neither held for trading nor its a contingent consideration in a business combination.

Financial assets at fair value through profit or loss
A financial asset is measured at fair value through profit or loss unless it is measured at amortized or at fair value through OCI.

3.3.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:
- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.3.4 Subsequent measurement

Financial assets at FVTOCI
These are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL
Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

3.3.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.3.6 *Derecognition*

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.3.7 *Offsetting of financial assets and financial liabilities*

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

3.4 *Trade debts*

Trade debts are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

3.5 *Deposits and prepayments*

Deposits are carried at cost and subsequently measured at amortized cost Prepayments are carried at amounts disbursed which is the value to be adjusted in future.

3.6 *Advances*

Advances are carried at cost which is the fair value of the consideration to be adjusted. Provision is made against balances considered doubtful balances. Balances considered irrecoverable are written off.

3.7 *Loans and other receivables*

Loans and other receivables including markup receivable are recognized initially at fair value and subsequently measured at amortized cost. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the account balances. Balances are written off when considered irrecoverable.

3.8 *Fiduciary assets*

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

3.9 *Cash and cash equivalents*

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

3.10 *Provisions*

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

3.11 *Contingent liabilities*

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and 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

- there is present 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.

3.12 *Contingent assets*

Contingent assets are disclosed when there is a possible asset that arises from past events and 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. Contingent assets are not recognized until their realization become virtually certain.

3.13 *Revenue recognition*

- ***Revenue from brokerage services***

Commission income is recognized at amounts that reflect the consideration that the Company expects to be entitled to, in exchange for providing services to its clients. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

Commission income is measured based on the consideration specified in a contract with a customer and is recognized when providing services to a customer at a point in time when the performance obligations are met. The transaction price of Company's contracts with customers for transferring the services does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers.

Other income

- Dividend income on equity investments is recognized, when the right to receive the same is established

- Unrealized gains arising on revaluation of securities classified as 'financial assets at fair value through profit or loss are included in statement of profit or loss account in the period in which they arise.

- Gain on sale of fixed assets is recorded when title is transferred in favor of the transferee.

- Gains arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.

  Markup income is recognized on time proportionate basis on the principal amount outstanding, at the applicable rate.

- Other income is recognized, on accrual basis, on occurrence of transactions, when related performance obligations are met.

3.14 Taxation

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

Current

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

Deferred

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

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, tax credits if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and other factors application of minimum tax regime and alternative corporate tax (ACT) can be utilized.

3.15 Borrowing cost

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

	Note	2021 Rupees	2020 Rupees
4 PROPERTY AND EQUIPMENT	4.1	**18,913,917**	21,016,031

4.1 Operating fixed assets

Description	Written down value				Cost as at June 30, 2021	Accumulated depreciation as at June 30, 2021	Written down value as at June 30, 2021	Rate
	As at July 01, 2020	Transfers	Depreciation charge for the year	As at June 30, 2021				
	Rupees							
Owned Assets								
Leasehold improvements	**109,462**	**-**	**(10,946)**	**98,516**	**507,842**	**409,326**	**98,516**	**10%**
Computers	**2,558**	**-**	**(767)**	**1,791**	**1,176,950**	**1,175,159**	**1,791**	**30%**
Office equipment	**431,444**	**864,085**	**(129,553)**	**1,165,976**	**2,708,494**	**1,542,518**	**1,165,976**	**10%**
Furniture and fixtures	**505,609**	**-**	**(50,561)**	**455,048**	**2,584,394**	**2,129,346**	**455,048**	**10%**
Motor vehicle	**3,048,649**	**-**	**(304,865)**	**2,743,784**	**4,835,000**	**2,091,216**	**2,743,784**	**10%**
Right-of-use Assets								
Motor vehicles	**16,054,225**	**-**	**(1,605,423)**	**14,448,802**	**21,346,954**	**6,898,152**	**14,448,802**	**10%**
Office equipment	**864,085**	**(864,085)**	**-**	**-**	**-**	**-**	**-**	**10%**
2021	**21,016,032**	**-**	**(2,102,115)**	**18,913,917**	**33,159,634**	**14,245,717**	**18,913,917**	

Description	Written down value				Cost as at June 30, 2020	Accumulated depreciation as at June 30, 2020	Written down value as at June 30, 2020	Rate
	As at July 01, 2019	Transfer	Depreciation charge for the year	As at June 30, 2020				
	Rupees							
Owned Assets								
Leasehold improvements	121,624	-	(12,162)	109,462	507,842	398,380	109,462	10%
Computers	3,654	-	(1,096)	2,558	1,176,950	1,174,392	2,558	30%
Office equipment	479,382	-	(47,938)	431,444	1,544,744	1,113,300	431,444	10%
Furniture and fixtures	561,788	-	(56,179)	505,609	2,584,394	2,078,785	505,609	10%
Motor vehicle	1,559,878	1,794,282	(305,511)	3,048,649	4,835,000	1,786,351	3,048,649	10%
Right-of-use Assets								
Motor vehicles	19,665,537	(1,794,282)	(1,817,030)	16,054,225	21,346,954	5,292,729	16,054,225	10%
Office equipment	960,094	-	(96,009)	864,085	1,163,750	299,665	864,085	10%
2020	23,351,958	-	(2,335,927)	21,016,031	33,159,634	12,143,603	21,016,031	

4.1.1 Assets having carrying value amounting to Rs. 6.629 (2020: 7.365) million are in the possession of Magic Works (Pvt.) Limited, an associated company. Possession was given without any consideration, to facilitate the related party in its operations. Company retains the title of the assets.

5 INTANGIBLES

	Note	2021 Rupees	2020 Rupees
Trading Rights Entitlement Certificate (TREC)	5.1	**2,500,000**	2,500,000
Remote terminals	5.2	**8,331**	10,414
Software	5.3	**1,738**	2,172
Membership card of Pakistan Mercantile Exchange Limited		**1,000,000**	1,000,000
Trading booth - PSX		**2,372,500**	2,372,500
		5,882,569	5,885,086

5.1 TREC has been valued at Rs. 2.5 million as on the reporting date, based on the offer for issuance of TREC issued by the PSX via notice PSX / N-225 dated February 16, 2021, indicating the fee for TREC to be Rs. 2.5 million.

Previously, TREC was valued at Rs. 2.5 million as on June 30, 2020, based on the offer for issuance of TREC issued by the PSX via notice PSX / N-882 dated August 3, 2020, indicating the fee for TREC to be Rs. 2.5 million.

5.2 *Remote terminals*

	Note	2021 Rupees	2020 Rupees
Opening net book value		**10,414**	13,018
Amortization charge	20	**(2,083)**	(2,604)
Closing net book value		**8,331**	10,414
As at June 30,			
Cost		**370,000**	370,000
Accumulated amortization		**(361,669)**	(359,586)
		8,331	10,414
Rate of amortization		**20%**	20%

5.3 *Software*

	Note	2021 Rupees	2020 Rupees
Opening net book value		**2,172**	2,715
Amortization charge	20	**(434)**	(543)
Closing net book value		**1,738**	2,172
As at June 30,			
Cost		**39,500**	39,500
Accumulated amortization		**(37,762)**	(37,328)
		1,738	2,172
Rate of amortization		**20%**	20%

6 LONG TERM ADVANCE AND DEPOSITS

	Note	2021 Rupees	2020 Rupees
- Advance - considered good			
Advance against purchase of offices	6.1	**13,907,284**	13,907,284
- Deposits with			
National Clearing Company of Pakistan Limited		**1,400,000**	1,400,000
Central Depository Company of Pakistan Limited		**100,000**	100,000
Pakistan Telecommunication Company Limited		**92,200**	92,200
Lease deposits		**1,985,759**	2,108,259
		3,577,959	3,700,459
		17,485,243	17,607,743

6.1 This represents advance given against the purchase of offices against which neither the title nor the possession has been passed till the issuance of these financial statements.

7 DEFERRED TAX ASSET

	Note	2021 Rupees	2020 Rupees
This comprises of the following:			
Deductible temporary difference			
Accelerated tax amortization		**745,898**	1,217,008
Provision for bad debts		**3,528,665**	5,038,989
Unused tax losses		**11,180,723**	13,172,462
Alternative Corporate Tax		**1,721,236**	1,472,343
Investment at fair value through profit or loss		**999**	605,188
Lease liabilities		**2,079,842**	3,374,169
		19,257,363	24,880,159
Taxable temporary difference			
Accelerated tax depreciation		**(3,531,374)**	(5,615,477)
		15,725,989	19,264,682
Less: Unrecognized deferred tax asset	7.1	**(15,725,989)**	(19,264,682)
		-	-

7.1 The Company has not recognized its entire deferred tax asset relating to net deductible temporary differences as on the reporting date, as the Management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax, ACT and final tax regime.

7.2 Deductible temporary differences as on the reporting date and their expiry dates are as follows:

Description	***Expiry***	***Amount***
Provision against bad debts	When written off	**17,513,258**
Lease liabilities	Payment of lease rentals	**10,322,544**
Unused capital losses		
TY 2019	30-Jun-22	**49,631,285**
TY 2020	30-Jun-23	**34,102,917**
TY 2021	30-Jun-24	**5,711,574**
Alternative Corporate Tax		
- TY 2018	30-Jun-28	**988,116**
- TY 2019	30-Jun-29	**484,227**
- TY 2021	30-Jun-31	**248,893**

	Note	2021 Rupees	2020 Rupees
8 TRADE DEBTS			
- Considered good	8.1	**15,442,802**	27,243,472
- Considered doubtful		**17,513,258**	17,513,258
		32,956,060	44,756,730
Provision for considered doubtful		**(17,513,258)**	(17,513,258)
		15,442,802	27,243,472

8.1 This includes Rs. 1.143 (2020: 1.142) million from Mr. Adnan Arif - the Director, Rs. 4.392 (2020: 17.392) million from Mr. Farhan Arif - the Director, Rs. 2.599 (2020: 2.599) million from Mrs. Anum Adnan (close family member), Rs. 0.083 (2020: 0.083) million from Mrs. Yasmeen Arif (close family member) and Rs. 0.015 (2020: Rs. nil) million from Muhammad Ibrahim Arif (close family member) and all are past due over one year. Closing balance represents the maximum aggregate amount outstanding at any time during the current year with reference to month end balance.

8.2 As on the reporting date, shares held in the name of sub-account holders (clients) amounting to Rs. 13.845 (2020: Rs. 1.476) million comprising of 1,413,626 (2020: 272,555) shares, out of which shares amounting to Rs. 1,902,880 (2020: Rs. 16,265) are pledged with NCCPL against exposure while shares amounting to Rs. 8,485 (2020: Rs. 6,965) are pledged with a bank company against running finance facility available to the Company.

	Note	2021 Rupees	2020 Rupees
9 SHORT TERM LOANS			
- Considered good			
- to associated company	9.1	**93,068,072**	98,928,411
- to associated undertaking	9.2	**2,034,171**	2,034,171
- to staff	9.3	**1,952,000**	1,952,000
		97,054,243	102,914,582

9.1 This represents loan to Magic Works (Pvt.) Limited - associated company (related party), which is unsecured and carries mark-up at the rate of 3 Month Kibor plus 2.5% per annum. Loan and accrued markup is recoverable on demand. Maximum aggregate amount of loan and markup receivable outstanding at any time during the year with reference to month end balance amounting to Rs. 113.593 million and Rs. 33.207 million respectively.

9.2 This represents loan to General Services - associated undertaking (related party), which is unsecured and carries mark-up at the rate of 3 Month Kibor plus 2.5% per annum. Loan and accrued markup is recoverable on demand. Maximum aggregate amount of loan and markup receivable outstanding at any time during the year with reference to month end balance amounting to Rs. 2.034 million and Rs. 1.365 million respectively.

9.3 This loan is interest free and recoverable on demand by way of deduction from salaries.

10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021 Rupees	2020 Rupees
- Deposits against			
Base minimum capital with PSX		**13,501,000**	4,916,000
Future loss deposited with NCCPL		**21,083,104**	5,408
		34,584,104	4,921,408
- Prepayments - insurance		-	34,959
- Other receivables - considered good			
Markup receivable from - Director		**35,558,911**	42,451,285
Markup receivable from - Magic Works (Pvt.) Ltd.	9.1	**33,207,183**	22,992,395
Markup receivable from - General Services	9.2	**1,364,546**	1,159,502
Future profit receivable from NCCPL		**65,370**	5,355
		70,196,010	66,608,537
		104,780,114	71,564,904

11 SHORT TERM INVESTMENTS

	Note	2021 Rupees	2020 Rupees
- In shares of listed companies			
- At fair value through profit or loss			
Carrying value		**806,339**	13,903,446
Gain / (loss) on remeasurement of investments - net	23	**172,453**	(2,816,966)
		978,792	11,086,480

11 Out of total 58,962 (2020: 1,105,179) shares held by the Company as on the reporting date, 5,711 (2020: 4,835) shares amounting to Rs. 0.837 (2020: Rs. 0.046) million have been pledged with the banking companies against running finance facility.

12 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2021 Rupees	2020 Rupees
Income tax refundable		**7,431,226**	7,819,136
12.1 Balance as on July 01,		**7,819,136**	8,200,658
Taxes paid during the year		**3,682**	91,008
Tax liability for the year	24	**(391,592)**	(472,530)
Balance as on June 30,		**7,431,226**	7,819,136

13 CASH AND BANK BALANCES

	2021	2020
Cash in hand	-	1,308
- Owned balance		
in current accounts	**21,338**	208,314
- Client balances		
in current accounts	**5,231,891**	21,721
	5,253,229	230,035
	5,253,229	231,343

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of shares 2021	2020		2021 Rupees	2020 Rupees
		Ordinary shares of Rs. 100 each		
350,000	350,000	fully paid in cash	**35,000,000**	35,000,000

14.1 The share holders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All the shares carry "one vote" per share without any restriction.

14.2 Pattern of shareholding

S. No.	*Names*	*No. of shares*	*Percentage*
1	Muhammad Adnan Arif	**52,500**	**15%**
2	Muhammad Farhan Arif	**52,500**	**15%**
3	Muhammad Arif	**245,000**	**70%**
		350,000	**100%**

During the current financial year, movement above 5% shareholding is not incurred.

15 LEASE LIABILITIES

	Note	*2021 Rupees*	*2020 Rupees*
15.1 Payable as on July 01,		**11,727,094**	14,515,603
Markup charge for the year	21	**1,025,014**	1,225,956
Markup accrued for the year		**(671,397)**	(434,641)
Rentals paid during the year		**(1,758,167)**	(3,579,824)
Payable as on June 30,	15.2	**10,322,544**	11,727,094
Less: Current maturity		**(6,785,437)**	(7,742,279)
		3,537,107	3,984,815

15.2 Maturity Analysis

	2021	2020
Minimum lease payments		
Up to one year	**8,653,880**	9,087,063
More than one year but less than five years	**3,710,189**	4,214,466
	12,364,069	13,301,529
Financial charges		
Up to one year	**1,868,443**	1,344,784
More than one year but less than five years	**173,082**	229,651
	2,041,525	1,574,435
Present value of minimum lease payments		
Up to one year	**6,785,437**	7,742,279
More than one year but less than five years	**3,537,107**	3,984,815
	10,322,544	11,727,094
Less: Current maturity	**(6,785,437)**	(7,742,279)
	3,537,107	3,984,815

15.2.1 The Company has entered into lease agreements with a leasing company for lease of vehicles and office equipment. Lease rentals are payable in monthly installments. Financial charges included in lease rentals are charged at the effective rate of 11.65% (2020: 17.47%) per annum. After the lease period, Company will have an option to purchase these leased assets.

16 TRADE AND OTHER PAYABLES	*Note*	***2021 Rupees***	*2020 Rupees*
Trade creditors		**4,935,901**	13,201
Accrued liabilities		**1,253,562**	684,365
		6,189,463	697,566

17 SHORT TERM BORROWINGS

Secured - from banking companies			
Running finance	17.1	**166,324**	10,583

17.1 Facility is secured against pledge of Company's investment, investment of Director, with a minimum margin of 35% to 50% on shares to be governed by the list approved by the lending banking companies and personal guarantees of all the Directors along with their Personal Net Worth Statements. Facility carries mark up at the rate of 3 month Kibor + 2.5% (2020: 3 month Kibor + 2.5%) per annum payable quarterly. The available and unavailed facility in respect of running finance as on the reporting date amounting to Rs. 101 (2020: Rs. 103) million and Rs. 100.834 (2020: Rs. 102.989) million respectively.

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on the reporting date that may have required any disclosure in these financial statements.

19 OPERATING REVENUE	*Note*	***2021 Rupees***	*2020 Rupees*
Brokerage income	19.1	**525,153**	107
19.1 Gross commission		**593,423**	121
Less: Sales tax		**(68,270)**	(14)
		525,153	107

20 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and other benefits		**1,673,000**	1,808,000
Directors' remuneration	25	**5,400,000**	5,400,000
Laga and other charges		**563,420**	418,474
Utilities		**89,507**	278,499
Postage and telephone		**105,020**	141,584
Communication expenses		**686,956**	631,544
Fees and subscription		**76,825**	172,613
Insurance		**265,316**	95,041
Depreciation	4.1	**2,102,115**	2,335,927
Amortization	5.2 & 5.3	**2,517**	3,147
		10,964,676	11,284,829

	Note	2021 Rupees	2020 Rupees

21 FINANCE COST

	Note	2021 Rupees	2020 Rupees
Mark-up on running finance		**34,620**	59,860
Bank charges		**136,279**	146,478
Interest on lease liability		**1,025,014**	1,225,956
		1,195,913	1,432,294

22 OTHER CHARGES

	Note	2021 Rupees	2020 Rupees
Auditors' remuneration	22.1	**454,000**	355,000
Loss on remeasurement of investments - net	11	-	2,816,966
Capital loss on disposal of investments - net		-	24,280,725
		454,000	27,452,691

22.1 Auditors' remuneration

	Note	2021 Rupees	2020 Rupees
Statutory audit		**300,000**	230,000
Out of pocket		**10,000**	10,000
Tax and other services		**144,000**	115,000
		454,000	355,000

23 OTHER INCOME

	Note	2021 Rupees	2020 Rupees
- From financial assets			
Markup income on loans to related parties			
- Director		-	204,577
- Magic Works (Pvt.) Limited	9.1	**10,214,788**	14,939,349
- General Services	9.2	**205,044**	595,326
		10,419,832	15,739,252
Dividend income		**4,549**	124,511
Capital gain on disposal of investments - net		**4,683,442**	-
Gain on remeasurement of investments - net	11	**172,453**	-
Markup income on deposits with NCCPL		**37,706**	-
		15,317,981	15,863,763
- From other than financial assets			
Miscellaneous income		**81,109**	2,491
		15,399,090	15,866,254

24 TAXATION - NET

	Note	2021 Rupees	2020 Rupees
Current	24.1	**391,592**	472,530
Deferred	7	-	-
		391,592	472,530

24.1 Reconciliation between tax expense and accounting profit has not been presented as the relationship between these could not be developed due to tax being arising under u/s 113 of the Income Tax Ordinance, 2001.

24.2 Income Tax Returns of the Company have been finalized up to and including the tax year 2019. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

25 REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive		Directors		Total	
	2021	2020	2021	2020	2021	2020
	Rupees					
Managerial remuneration	1,800,000	1,800,000	3,600,000	3,600,000	5,400,000	5,400,00(
Number of person(s)	1	1	2	2		

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

26.1 Financial Instrument by Category

	Note	2021 Rupees	2020 Rupees
Financial assets			
- Financial assets at fair value through profit or loss			
Short term investments	11	978,792	11,086,480
- At amortized cost			
Long term deposits	6	1,592,200	1,592,200
Trade debts - gross	8	32,956,060	44,756,730
Short term loans	9	97,054,243	102,914,582
Deposits and other receivables	10	104,780,114	71,529,945
Cash and bank balances	13	5,253,229	231,343
		241,635,846	221,024,800
		242,614,638	232,111,280
Financial Liabilities			
- At amortized cost			
Trade and other payables	16	6,189,463	697,566
Accrued markup		1,126,849	434,641
Short term borrowings	17	166,324	10,583
		7,482,636	1,142,790

26.2 Financial risk management

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 programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

The Company has exposures to the following risks from its use of financial instruments:-

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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.

26.2.1 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

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

The carrying amounts of financial assets represent the maximum credit exposure, as specified below:

	Note	*2021* *Rupees*	*2020* *Rupees*
Long term deposits	6	**1,592,200**	1,592,200
Trade debts - gross	8	**32,956,060**	44,756,730
Short term loans	9	**97,054,243**	102,914,582
Deposits and other receivables	10	**104,780,114**	71,529,945
Bank balances	13	**5,253,229**	230,035
		241,635,846	221,023,492

Ageing of debtors and impairment losses
The aging of trade debtors as on the reporting date was:

	2021	2020
Past due 1-5 days	823,219	-
Past due more than 5 days	32,132,841	44,756,730
	32,956,060	44,756,730
Impaired - more than 5 days	**(17,513,258)**	(17,513,258)
	15,442,802	27,243,472
Securities available for overdue receivables of more than 5 days after applying VAR based haircut	1,643,053	1,146,784

These are mainly recoverable from related parties and based on the consideration of financial position of the related parties, the Company considers the amount to be fully recoverable and therefore, no provision for expected credit losses (ECL) is made in these financial statements.

Ageing of short term loans from related parties as on the reporting date was:

	Magic works (Pvt.) Ltd.	*General Services*
	------ *Rupees* ------	
Overdue for		
3 months	59,177,700	-
3-6 months	33,890,372	-
Over due 1 year	-	2,034,171
	93,068,072	**2,034,171**

Based on the consideration of financial position of the related parties, while the related parties are under common management and control, the Company considers the amount to be fully recoverable and therefore, no provision for expected credit losses (ECL) is made in these financial statements.

Credit Rating of Company's Banks

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

Name of banks	*Rating Agency*	*Credit rating*	
		Long term	*Short term*
Private sector commercial banks			
Bank Alfalah Limited	PACRA	AA+	A1+
Askari Bank Limited	PACRA	AA+	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
United Bank Limited	VIS	AAA	A-1+
JS Bank Limited	PACRA	AA-	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Summit Bank Limited	VIS	Suspended	Suspended
Meezan Bank Limited	VIS	AAA	A-1+
MCB Islamic Bank Limited	PACRA	A	A1
Dubai Islamic Bank	VIS	AA	A-1+
MCB Bank Limited	PACRA	AAA	A1+

Other financial assets do not require any provision for expected credit losses (ECL) as these mainly comprise of balances recoverable from the regulators.

26.2.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity, working capital and running finance facility from banks with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments:-

	2021			
	Carrying Amount	*Contractual cash flows*	*Up to six months*	*Up to one year*
	------------- Rupees -------------			
Financial liabilities				
Trade and other payables	**6,189,463**	**(6,189,463)**	**(4,642,097)**	**(1,547,366)**
Accrued markup	**1,126,849**	**(1,126,849)**	**(1,126,849)**	**-**
Short term borrowings	**166,324**	**(166,324)**	**(166,324)**	**-**
	7,482,636	**(7,482,636)**	**(5,935,270)**	**(1,547,366)**

	2020			
	Carrying Amount	*Contractual cash flows*	*Up to six months*	*Up to one year*
	------------- Rupees -------------			
Financial liabilities				
Trade and other payables	697,566	(697,566)	(523,175)	(174,392)
Accrued markup	434,641	(434,641)	(434,641)	-
Short term borrowings	10,583	(10,583)	(10,583)	-
	1,142,790	(1,142,790)	(968,399)	(174,392)

26.2.3 *Market risk*

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. As on the reporting date, the Company is only exposed to interest rate risk and price risk, which are discussed as under:

Interest / mark up rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates.

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

	2021	2020	2021	2020
	Effective interest rate (in %)		*Carrying amounts*	
			Rupees	*Rupees*
Financial assets				
Loans to related parties	**3 Month Kibor + 2.5%**	3 Month Kibor + 2.5%	**95,102,243**	100,962,582
Financial liabilities				
Short term borrowings	**3 Month Kibor + 2.5%**	3 Month Kibor + 2.5%	**(166,324)**	(10,583)
			94,937,939	100,954,018

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for the corresponding period:

	Rupees	
	Profit or Loss 100 bp	
Cash flow Sensitivity	*Increase*	*Decrease*
As at June 30, 2021	949,379	**(949,379)**
As at June 30, 2020	1,009,540	(1,009,540)

Price risk

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

Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as short term investment had increased / decreased by Rupee 1 with all other variables remain constant, Company's unrealized gain / (loss) on remeasurement of investment carried at fair value through profit or loss. The analysis is performed on same basis for the corresponding period:

	Profit and loss	
	Increase	*Decrease*
As at June 30, 2021		
At fair value through profit or loss account	**58,962**	**(58,962)**
As at June 30, 2020		
At fair value through profit or loss account	1,105,179	(1,105,179)

26.2.4 *Operational Risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arising formal the company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

i Requirements for appropriate segregation of duties between various functions, roles and responsibility;
ii Requirements for the reconciliation and monitoring of transactions;
iii Compliance with regulatory and other legal requirements;
iv Documentation of control and procedures;
v Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
vi Ethical and business standards;
vii Risk mitigation, including insurance where this is effective.

26.3 *Risk management policies*

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like market price risk, interest rate risk and investing excessive liquidity.

26.4 *Capital risk management*

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2021.

Capital is monitored on the basis of gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions including accrued markup less cash and bank balances:

		2021	*2020*
		Rupees	*Rupees*
Lease liabilities including current portion		**10,322,544**	11,727,094
Accrued markup		**1,126,849**	434,641
Short term borrowings		**166,324**	10,583
Less: Cash and bank balances		**(5,253,229)**	(231,343)
Net Debt	**A**	6,362,488	11,940,975
Total shareholders' equity	**B**	255,416,955	252,498,893
Total Capital + Net Debt	**C = A+B**	261,779,443	264,439,868
Gearing Ratio	**D = A / C**	2.43%	4.52%

26.5 *Fair value of financial instruments*

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

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

Level 2: Inputs other than quoted prices included within 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).

	Level 1	*Level 2*	*Level 3*
	------------	*Rupees*	------------
June 30, 2021			
Investments at fair value through profit or loss	**978,792**	**-**	**-**
Trading Rights Entitlement Certificate (TREC)	**-**	**2,500,000**	**-**
June 30, 2020			
Investments at fair value through Profit or loss	11,086,480	-	-
Trading Rights Entitlement Certificate (TREC)	-	2,500,000	-

27 *RELATED PARTY TRANSACTION*

Related parties comprise of Directors, their close family members and associated companies and undertakings. Year end balances and transaction with related parties are disclosed in the relevant notes to these financial statements. Remuneration during the year given to Key Management Personnel are disclosed in note no. 25 to these financial statements. Details of other significant transactions with related parties are as follows:

	2021	*2020*
Muhammad Arif - Director (70% shareholding)	***Rupees***	*Rupees*
Loan recovered	-	23,603,875
Markup recovered	**6,892,374**	-
Magic Works (Pvt.) Ltd		
Associated Company - common directorship		
Loan given	**165,441,365**	47,683,033
Loan recovered	**171,301,704**	36,502,035
General Services - Associated undertaking		
Common Director / Partners		
Loan given	-	10,668,005
Loan recovered	-	12,541,075

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	**ASSETS**	-------- Amount in Rupees --------		
1.1	Property and Equipment	18,913,917	100.00%	-
1.2	Intangible Assets	5,882,569	100.00%	-
1.3	Investment in Government Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	978,792	179,322	799,470
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits / basic deposits with the exchanges, clearing house or central depository or any other entity.	15,001,000	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	2,077,959	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	70,130,640	100%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	**Advances and receivables other than trade receivables**			
	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	1,952,000	100%	-
	ii. Income tax refunds due from Government	7,431,226	100%	-
	iii. Receivables other than trade receivables	109,009,527	100%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	21,148,474	-	21,148,474
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	823,219	-	823,219
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	6,383,980	4,818,052	1,565,929
	vi. 100% haircut in the case of amount receivable from related parties.	8,235,603	100%	-
1.18	**Cash and Bank balances**			
	i. Bank balance - proprietary accounts	21,338	-	21,338
	ii. Bank balance - customer accounts	5,231,891	-	5,231,891
	iii. Cash in hand	-	-	-
1.19	Subscription money against Investment in IPO/offer for Sale: No haircut if shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.20	**Total Assets**	**273,222,135**		**29,590,320**

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2	**LIABILITIES**	-------- *Amount in Rupees* --------		
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	4,935,901	-	4,935,901
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	1,253,562	-	1,253,562
	iii. Short-term borrowings	166,324	-	166,324
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	6,785,437	-	6,785,437
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	1,126,849	-	1,126,849
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: 100% haircut in case of long term portion of financing obtained from a financial institution including amount due against finance lease	3,537,107	100%	-
	ii. Staff retirement benefits	-	-	-
	iii. Other non-current liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**			
	i. 100% haircut in case of 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	***Advance against shares for increase in capital of securities broker***	-	-	-
	100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained			
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.			
	e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	***Total Liabilities***	**17,805,180**		**14,268,073**

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	-	75,637	75,637
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 Liabilities**	-	75,637	75,637

Calculation Summary of Liquid Capital:

1	**Adjusted value of Assets (serial number 1.20)**	**29,590,320**
2	**Less: Adjusted value of liabilities (serial number 2.6)**	**(14,268,073)**
3	**Less: Total ranking liabilities (series number 3.11)**	**(75,637)**
		15,246,610

29 COMPUTATION OF NET CAPITAL BALANCE AS OF JUNE 30, 2021	Note	2021 Rupees	
CURRENT ASSETS			
Cash in hand and bank balances			
Cash in hand	13		-
Bank Balances			
Bank balances pertaining to brokerage house		317,328	
Bank balances pertaining to clients		4,935,901	
	13 & 29.1	5,253,229	
			5,253,229
Margin deposited with NCCPL			
Future loss deposit	10		21,083,104
Investment in listed securities			
Securities on the exposure list marked to market	11	978,792	
Less: 15% discount		(146,819)	
			831,973
Trade Receivables			
Book value	8	32,956,060	
Less: outstanding for more than 14 days		(31,803,282)	
Balance generated within 14 days and / not yet due			1,152,778
Securities purchased for the client and held by the member where payment has not been received in 14 days			1,845,083
Total Current Assets	A		30,166,167
CURRENT LIABILITIES			
Trade Payable			
Book values	16		4,935,901
Less: over due for more than 30 days	29.2		(13,201)
			4,922,700
Other liabilities	29.2		9,345,373
Total Current Liabilities	B		14,268,073
NET CAPITAL BALANCE	A - B		15,898,094

NOTES TO THE NCB

	Note	2021 Rupees
29.1 Bank balances in designated client accounts	13	5,231,891
Less: Trade payable	16	(4,935,901)
Bank balances pertaining to brokerage house		295,990
29.2 Other liabilities		
Trade creditors over due more than 30 days		13,201
Accrued liabilities	14	1,253,562
Short term borrowings	17	166,324
Accrued markup		1,126,849
Current maturity of lease liabilities	15	6,785,437
		9,345,373

	Note	2021 Rupees	2020 Rupees

30 CAPITAL ADEQUACY LEVEL

	Note	2021 Rupees	2020 Rupees
Total Assets		**273,222,135**	265,368,777
Less : Total Liabilities		**(17,805,180)**	(12,869,884)
Less : Revaluation Reserve (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level	30.1	**255,416,955**	252,498,893

30.1 While determining the value of total assets of the TREC Holder, notional value of the TRE certificate held by M/s. Continental Capital Management (Pvt.) Limited, as at year ended June 30, 2021, as determined by the Pakistan Stock Exchange has been considered.

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

31 GENERAL

- Figures in these financial statements have been rounded off to the nearest Rupee.
- Number of employees as on the reporting date and average number of employees during the year were 5 and 7 (2020: 9 and 8) respectively.

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company on October 01, 2021.

RHZ

Chief Executive

Director