AUDITED FINANCIAL STATEMENTS
OF
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED
FOR THE YEAR ENDED JUNE 30, 2021

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

Russell Bedford
taking you further

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Mohammad Munir Mohammad Ahmed Khanani Securities Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. Mohammad Munir Mohammad Ahmed Khanani Securities 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 and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matters

Without qualifying our opinion, we refer to note 26 to the annexed financial statements which states that the financial statements are the amended version of the previously issued financial statements for the year ended June 30, 2021 (as approved by the Board of Directors of the Company in their meeting held on September 29, 2021). The previously issued financial statements were amended and re-issued on account of correction of certain errors noted, subsequently, in reported figures as detailed in said note thereof to amounts against these accounts reported in notes to the previously issued financial statements.

Other Matters Paragraph

Our audit procedures on events subsequent to the date of issuance of our audit report on the previously issued financial statements (i.e. September 29, 2021) were restricted solely to the amendment of the previously issued financial statements as described in the Emphasis of Matter paragraph above.

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) the statement of financial position, the statement of profit or loss, 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);

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: 27 DEC 2021

Mohammad Munir Mohammad Ahmed Khanani Securities Limited
Statement of Financial Position
As at June 30, 2021

	Note	2021	2020
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	4	**41,564,761**	26,748,964
Intangible assets	5	**5,168,889**	6,312,698
Long term deposits	6	**2,438,000**	2,290,000
Investment property	7	**111,112,320**	116,960,337
		160,283,970	152,311,999
Current assets			
Short term investment - Fair value through profit or loss	8	**2,207,960,091**	988,927,819
Trade debts	9	**3,255,296,225**	1,054,231,553
Loans, advances & other receivables	10	**95,449,521**	21,283,898
Income tax refundable		**74,150,095**	78,452,822
Cash and bank balances	11	**1,089,176,907**	571,748,836
		6,722,032,839	2,714,644,928
Total assets		**6,882,316,809**	2,866,956,927
EQUITIES AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (2020: 50,000,000) ordinary shares of Rs.10/- each		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	12	**395,140,540**	395,140,540
Unappropriated profits - Revenue Reserve		**2,546,841,558**	949,946,453
		2,941,982,098	1,345,086,993
Non- Current liabilities			
Deferred taxation		**13,735,855**	-
Current liabilities			
Short term borrowings - secured	13	**2,054,918,187**	792,835,689
Trade and other payables	14	**1,857,079,878**	722,584,303
Accrued markup on short term borrowings		**14,600,791**	6,449,942
		3,926,598,856	1,521,869,934
Contingency and commitments	15	**-**	-
Total equity and liabilities		**6,882,316,809**	2,866,956,927

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

CHIEF EXECUTIVE **DIRECTOR**

Mohammad Munir Mohammad Ahmed Khanani Securities Limited
Statement of Profit or Loss
For the year ended June 30, 2021

	Note	2021	2020
		Rupees	
Operating revenue	16	**519,714,710**	161,285,611
Capital gain on sale of investments - net		**1,289,239,087**	124,090,233
Net Change in unrealized gain on re-measurement of short term investments	8	**221,080,045**	220,044,166
		2,030,033,842	505,420,010
Administrative and operating expenses	17	**(187,837,934)**	(74,266,812)
Finance costs	18	**(55,647,533)**	(74,384,016)
Other income	19	**15,521,122**	13,472,912
Profit before taxation		**1,802,069,497**	370,242,095
Taxation	20	**(205,174,392)**	(7,070,404)
Profit after taxation		**1,596,895,105**	363,171,691
Earnings per share - basic & diluted	21	**40.41**	9.19

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

CHIEF EXECUTIVE

DIRECTOR

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	Rupees	
Profit after taxation	**1,596,895,105**	363,171,691
Other comprehensive income	-	-
Total comprehensive income for the year	**1,596,895,105**	363,171,691

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

CHIEF EXECUTIVE **DIRECTOR**

Mohammad Munir Mohammad Ahmed Khanani Securities Limited
Statement of Changes in Equity
For the year ended June 30, 2021

	Issued, subscribed and paid up capital	Unappropriated profits	Total
	Rupees		
Balance as on June 30, 2019	395,140,540	586,774,762	981,915,302
Profit after taxation	-	363,171,691	363,171,691
Other comprehensive income	-	-	-
Balance as on June 30, 2020	**395,140,540**	**949,946,453**	**1,345,086,993**
Profit after taxation	-	**1,596,895,105**	**1,596,895,105**
Other comprehensive income	-	-	-
Balance as on June 30, 2021	**395,140,540**	**2,546,841,558**	**2,941,982,098**

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

CHIEF EXECUTIVE

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Cash Flows

For the year ended June 30, 2021

	Note	2021	2020
		——— Rupees ———	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,802,069,497**	370,242,095
Adjustment for non-cash and other items :			
Depreciation on property and equipment	4	**6,489,692**	5,629,401
Amortization of intangible assets	5.1	**1,143,809**	294,966
Depreciation on investment property	7	**5,848,017**	3,752,502
Net change in unrealized gain on re-measurement of short term investments	8	**(221,080,045)**	(220,044,166)
Provision for expected credit losses on trade debts	9	**14,014,088**	
Reversal of provision for expected credit losses on trade debts	9	**-**	(1,677,140)
Capital gain/(loss) on sale of investments	17	**(1,289,239,087)**	(124,090,233)
Finance costs	18	**55,647,533**	74,384,016
Gain on rental income	19	**(15,520,898)**	(11,786,026)
		(1,442,696,891)	(273,536,680)
Operating profit before working capital changes		**359,372,606**	96,705,415
Change in working capital			
(Increase)/decrease in current assets			
Trade debts		**(2,215,078,760)**	(612,730,609)
Loans, advances & other receivables		**(74,165,623)**	38,915,565
		(2,289,244,383)	(573,815,044)
Increase/(decrease) in current liabilities			
Trade and other payables		**1,134,495,575**	318,017,614
Cash used in operations		**(795,376,202)**	(159,092,015)
Financial charges paid		**(47,496,684)**	(81,395,283)
Income tax paid		**(187,135,810)**	(11,874,071)
Net cash used in operating activities		**(1,030,008,696)**	(252,361,369)
CASH FLOW FROM INVESTING ACTIVITIES			
Addition to property and equipment	4	**(21,305,489)**	(1,963,293)
Addition to intangible assets	5.1	**-**	(4,093,822)
(Purchase) / sale of investments-net	8	**291,286,860**	222,520,280
Addition to investment properties	7	**-**	(98,039,000)
Rent received		**15,520,898**	11,786,026
Long term deposits		**(148,000)**	(100,000)
Net cash inflow from investing activities		**285,354,269**	130,110,191
Net decrease in cash and cash equivalents		**(744,654,427)**	(122,251,178)
Cash and cash equivalents at the beginning of the year		**(221,086,853)**	(98,835,675)
Cash and cash equivalents at the end of the year	22	**(965,741,280)**	(221,086,853)

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

CHIEF EXECUTIVE

DIRECTOR

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Notes to the Financial Statements

For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

Mohammad Munir Mohammad Ahmed Khanani Securities (Pvt) Limited ('the Company') is a public unlisted limited Company incorporated under the repealed Companies Ordinance, 1984. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is located at Room No. 624-627, 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.

The geographical location of Company's offices are as follows:

-	Karachi	Head office (Registered office)	Room # 601-603, 6th Floor, Stock Exchnage Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	Room # 65, 1st Floor, Stock Exchnage Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	Room # 637, 6th Floor, Stock Exchnage Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	MR 4/66, Achi Qabar, Bolton Market, Karachi.
-	Karachi	Branch Office	House # A-928, Block H, North Nazimabad, Karachi.
-	Karachi	Branch Office	House # A-477, Block 5, Gulshan-e-Iqbal, Karachi.
-	Karachi	Branch Office	Off # 1814, 18th Floor, Mohammadi Trade Tower, SR-6/5-6, situated at Serai Quarters, Karachi.
-	Karachi	Branch Office	House # A-328, Block 3-A, Gulistan-e-Jauhar, Karachi.
-	Peshawar	Regional Office	Off # 303, 3rd Floor, Block A, City Towers, University Road, Peshawar.
-	Hyderabad	Regional Office	Building # 345, Opp Yaqoob Centre near Jamia Masjid Saadar, Hyderabad.
-	Islamabad	Regional Office	Room # 501 A, 5th Floor, ISE Tower, 55-8, Jinnah Avenue, Blue Area, Islamabad.
-	Lahore	Regional Office	Room # 403-404, 4th Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore.
-	Lahore	Branch Office	Office # 416, 4th Floor, Siddique Trade Centre, Gulberg, Lahore.
-	Lahore	Branch Office	1st Floor, 112-Y, Commercial DHA, Cantt, Lahore.

2 BASIS OF PREPARATION

2.1 Amended financial statements

This set of financial statements is the amended version of the previously issued financial statements for the year ended June 30, 2021. Please refer note 26 for further details.

2.2 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 as applicable in Pakistan comprises of:

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

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

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

2.3 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.

2.4 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.5 Use of estimates and judgments

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

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

	Note
- Useful lives, 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.	*20*

2.6 New accounting pronouncements

2.6.1 *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.

2.6.2 *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.

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

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

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

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

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

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

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

- 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 unconsolidated 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 7 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 and receivables against margin financing

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 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.

3.7 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.

3.8 Financial assets

3.8.1 *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 principal and interest on the principal amount outstanding.

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

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.

3.8.2 *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.

3.8.3 ***Impairment***

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

For trade debts and receiveables 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.

3.8.4 *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.

3.9 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.

3.10 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.

3.11 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.

Mark up / interest income

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

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 incomefrom investment property

Rental income from investment property is recognized on accrual basis.

4 PROPERTY AND EQUIPMENT

	Office premises	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
As at June 30, 2019						
Cost	7,500,000	2,914,263	16,046,008	327,659	29,145,015	55,932,945
Accumulated depreciation	(1,416,657)	(1,661,350)	(12,698,150)	(220,306)	(9,521,410)	(25,517,873)
Net book value	6,083,343	1,252,913	3,347,858	107,353	19,623,605	30,415,072
Movement during the year ended June 30, 2020						
Opening net book value	6,083,343	1,252,913	3,347,858	107,353	19,623,605	30,415,072
Additions during the year	-	-	1,963,293	-	-	1,963,293
Depreciation for the year	(304,167)	(125,291)	(1,264,487)	(10,735)	(3,924,721)	(5,629,401)
Closing net book value	5,779,176	1,127,622	4,046,664	96,618	15,698,884	26,748,964
As at June 30, 2020						
Cost	7,500,000	2,914,263	18,009,301	327,659	29,145,015	57,896,238
Accumulated depreciation	(1,720,824)	(1,786,641)	(13,962,637)	(231,041)	(13,446,131)	(31,147,274)
Net book value	5,779,176	1,127,622	4,046,664	96,618	15,698,884	26,748,964
Movement during the year ended June 30, 2021						
Opening net book value	5,779,176	1,127,622	4,046,664	96,618	15,698,884	26,748,964
Additions during the year	5,610,000	812,947	11,889,314	208,328	2,784,900	21,305,489
Depreciation for the year	(368,882)	(148,824)	(2,577,054)	(21,948)	(3,372,984)	(6,489,692)
Closing net book value	**11,020,294**	**1,791,745**	**13,358,924**	**282,998**	**15,110,800**	**41,564,761**
As at June 30, 2021						
Cost	13,110,000	3,727,210	29,898,615	535,987	31,929,915	79,201,727
Accumulated depreciation	(2,089,706)	(1,935,465)	(16,539,691)	(252,989)	(16,819,115)	(37,636,966)
Net book value	**11,020,294**	**1,791,745**	**13,358,924**	**282,998**	**15,110,800**	**41,564,761**
Annual rates of depreciation	**5%**	**10%**	**30%**	**10%**	**20%**	

5 INTANGIBLE ASSETS

	Note	2021	2020
		Rupees	
Computer software	*5.1*	**2,668,889**	3,812,698
Trading Rights Entitlement (TRE) Certificate	*5.2*	**2,500,000**	2,500,000
		5,168,889	6,312,698

5.1 Computer Software

	2021	2020
Cost		
Opening balance	**5,093,822**	1,000,000
Additions during the year	-	4,093,822
Closing balance	**5,093,822**	5,093,822
Accumulated amortization		
Opening balance	**(1,281,124)**	(986,158)
Charge for the year	**(1,143,809)**	(294,966)
Closing balance	**(2,424,933)**	(1,281,124)
Net book value as at June 30	**2,668,889**	3,812,698
Amortisation rate	**30%**	30%

5.2 This represents Trading Right Entitlement Certificate (TREC) received in accordance with the requirement of the Stock Exchanges (Corporatisation, Demutulaization and Integration) Act, 2012.

6	LONG TERM DEPOSITS	Note	2021	2020
			Rupees	
	Deposit placed with			
	Central Depository Company- Basic deposit		**100,000**	100,000
	National Clearing Company of Pakistan- Basic deposit		**200,000**	200,000
	National Clearing Company of Pakistan- IPO deposit		**-**	100,000
	National Clearing Company of Pakistan- MFS		**100,000**	100,000
	National Clearing Company of Pakistan- Future		**1,200,000**	1,200,000
	Pakistan Mercantile Exchange Limited- Basic deposit		**500,000**	500,000
	Others		**338,000**	90,000
			2,438,000	2,290,000

7	INVESTMENT PROPERTY			
	As at *July 01*			
	Cost		**123,638,482**	25,599,482
	Accumulated depreciation		**(6,678,145)**	(2,925,643)
	Opening Carrying Value		**116,960,337**	22,673,839
	Additions for the year		**-**	98,039,000
	Depreciation expense for the year		**(5,848,017)**	(3,752,502)
	Closing Carrying Value		**111,112,320**	116,960,337
	Annual rate of depreciation	*8.1*	**5%**	5%

7.1 This represents investment in following properties to earn rental income or capital appreciation;

- Flat 202, Al Hadi Apartment, Plot 98, Garden East, Karachi
- Banglow No 556, measuring 1 Kanal, Airline Housing Scheme, Raiwind, Lahore.
- Commercial Plot No. 60 measuring 266.67 Square yards, Basement, Ground and First floor, Eman Square, Chaklala Scheme III, Rawalpindi.

7.2 The property located in Rawalpindi as detailed above, is in the name of Chief Executive Officer / director Mr.Muhammad Munir and shall be transferred in the name of Company in due course of time.

8	SHORT TERM INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS	Note	2021	2020
			Rupees	
	Investment in quoted securities			
	Cost of investment in quoted securities		**1,927,004,061**	886,804,696
	Cost of investment in mutual funds	*9.1*	**111,225,253**	153,472,391
			2,038,229,314	1,040,277,087
	(Deficit) on revaluation			
	Opening balance		**(51,349,268)**	(271,393,434)
	Gain / (Loss) recognized during the year		**221,080,045**	220,044,166
			169,730,777	(51,349,268)
			2,207,960,091	988,927,819

8.1	**Investment in mutual funds:**		
	AKD Islamic Stock Fund	**-**	1,000,000
	NAFA Money Market Fund	**111,225,253**	152,472,391
		111,225,253	153,472,391

8.2 As of the reporting date, the total value of pledged securities was as follows;

	Note	2021	2020
		Rupees	
Pledged with Financial Institutions			
Clients		**2,617,586,840**	35,260,400
Brokerage House		**2,029,990,244**	35,669,053
		4,647,577,084	70,929,453
Pledged with PSX / NCCPL			
Clients		-	-
Brokerage House		**1,666,651,219**	12,498,400
		1,666,651,219	12,498,400

9 TRADE DEBTS

	Note	2021	2020
Considered good- secured		**1,058,692,716**	509,667,423
Considered doubtful- unsecured		**40,426,767**	26,412,679
Trade receivables - gross		**1,099,119,483**	536,080,102
Less: Provision for expected credit losses	*9.1*	**(40,426,767)**	(26,412,679)
		1,058,692,716	509,667,423
Receivable against Margin Financing - gross		**2,196,603,509**	544,564,130
Less: Impairment against margin financing receivable	*9.2*	**-**	-
		2,196,603,509	544,564,130
		3,255,296,225	1,054,231,553

9.1 **Movement in provision for expected credit losses on trade debts**

	2021	2020
Balance at the beginning of the year	**26,412,679**	16,074,750
Charged / (Reversed) during the year	**14,014,088**	10,337,929
Balance at the end of the year	40,426,767	26,412,679

9.2 **Movement in provision for expected credit losses on margin financing receivable**

	2021	2020
Balance at the beginning of the year	-	12,015,069
Charged / (Reversed) during the year	-	(12,015,069)
Balance at the end of the year	-	-

9.3 The Company held equity securities having fair value of Rs. 9,401 million owned by its clients, as collaterals against trade debts - brokerage and operating and margin finance receivables. The aging analysis of the total receivable from clients (i.e. inclusive of trade debts - brokerage and operating, and receivable against margin financing) as at the reporting date has been disclosed in note 24.1.1.

10 LOANS, ADVANCES AND OTHER RECEIVABLES	Note	2021	2020
		Rupees	
Loans			
Loan to employees - unsecured	*10.1*	**3,221,545**	-
Advances			
Advance to PMEX against offices		**10,000,000**	10,000,000
Advance against initial public offering		**30,000,000**	-
Other receivables			
Receivable from PSX against profit held on Deliverable Futures Contracts		**25,039,515**	2,308,097
Receivable from NCCPL		-	7,994,082
MTS concentration margin placed with NCCPL		**27,188,461**	981,719
		95,449,521	21,283,898

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10.1 This represented a loan provided to employees as per the terms of their employment and repayable against adjustment from salary.

11 CASH AND BANK BALANCES

	2021	2020
	Rupees	
Cash in hand	415,737	415,737
Cash at banks - current accounts	838,696,470	457,428
Cash at banks - saving accounts	250,064,700	570,875,671
	1,089,176,907	571,748,836

11.1 The return on these balances is 6.0% to 8% (2020: 4.5% to 7%) per annum on daily product basis.

11.2 Bank balances include customers' bank balances held in designated bank accounts amounting Rs. 1,087,612,243 (2020: Rs. 571,086,725).

12 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2021	2020		2021	2020
(Number of shares)			Rupees	
39,514,054	39,514,054	Ordinary shares of Rs.10/- each fully paid in cash	395,140,540	395,140,540

12.1 **Pattern of Shareholding**

Categories of shareholders	2021		2020	
	Number of shares held	% of Shares held	Number of shares held	% of Shares held
Individuals				
Muhammad Munir Khanani	39,513,654	99.9990%	39,513,854	99.9995%
Manzoor Ahmed	100	0.0003%	100	0.0003%
Mohammad Arif	100	0.0003%	100	0.0003%
Muhammad Nadeem	100	0.0003%	-	0.0000%
Muhammad Rizwan	100	0.0003%	-	0.0000%
	39,514,054	100.00%	39,514,054	100.00%

12.2 There is no agreement with shareholders for voting rights, board selection, rights of first refusal and block voting.

13 SHORT TERM BORROWING

	Note	2021	2020
		Rupees	
Conventional financing			
Askari Bank Limited	*13.1*	493,360,253	23,027,666
JS Bank Limited	*13.2*	478,208,154	150,849,939
Soneri Bank Limited	*13.3*	209,456,319	375,413,136
Bank Al Habib	*13.4*	773,893,461	161,854,948
Bank of Khyber	*13.5*	100,000,000	-
Islamic financing			
Dubai Islamic Bank	*13.6*	-	81,690,000
		2,054,918,187	792,835,689

13.1 This represents the amount availed under a short term running finance facility amounting to Rs. 500 million (2020: Rs. 500 million) obtained from Askari Bank Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 1 month kibor + 2% per annum (2020: 1 month kibor +2% per annum) and is secured by:

> Pledge of shares / Third party shares as per Bank's approved FAS list.
> Facility to be allowed against A=30%, B=40% & C=50% allowed.
> NRL, APL with 30% upto 20m. Waves with 40% upto 20m.
> Personal guarantee of all directors.

The facility is due to expire on December 31, 2021.

13.2 This represents the amount availed under a short term running finance facility amounting to Rs. 600 million (2020: 800 million) obtained from JS Bank Limited for working capital requirement (margin finances requirements). This carriest markup at the rate of 1 month kibor + 2% per annum (2020: 1 month Kibor plus 2% per annum) and is secured by:

> Pledge of shares with a flat margin of 30% on shares as per JS Bank approved list;
> Personal guarantee of director holding more than 10%;
> Equitable mortgage of residential bungalow at plot no. B-18,NHS, Karsaz, Dalmia. Road, Karachi.
> Equitable mortgage of Commercial Plot D-18, Block-8, KDA Scheme No.5, Clifton, Karachi

The facility is due to expire on June 30, 2021.

13.3 This represents the amount availed under a short term running finance facility amounting to Rs. 600 million (2020: Rs. 500 million) obtained from Soneri Bank Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 3 month kibor + 1.5% per annum (2020: 3 month kibor + 1.5% per annum) and is secured by:

> Pledge of all approved shares with 30% margin as per approved list or 30%-60% margin for unapproved;
> Pledge of all money market mutual funds of approved asset management companies with 10% margin;

The facility is due to expire on 30 November 2021.

13.4 This represents the amount availed under a short term running finance facility amounting to Rs. 1,000 million (2020: Rs. 500 million) obtained from Bank Al Habib Limited for working capital requirement (margin finances requirements). This carries markup at the rate of of 3 month average kibor plus 2% per annum (2020: 3 month average kibor + 2% per annum) and is secured by:

> Pledge of shares of listed companies as per Bank's approved list with 30% margin;
> Pledge of shares of un-approved listed companies with 32.5% margin and aggregate exposure limit of 500 million.

> Personal guarantee of all directors.

The facility is due to expire on December 31, 2021.

13.5 This represents the amount availed under a short term running finance facility amounting to Rs. 250 million (2020: Nil) obtained from The Bank of Khyber Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 3 month kibor + (1.5%-3.8%) per annum (2020: Nil) and is secured by:

> Pledge of shares / Third party shares as per Bank's approved list.
> Personal guarantee of all directors.

The facility is due to expire on May 31, 2022.

13.6 This represents the amount availed under a Murabaha facility amounting to Rs. 200 million (2020: Rs. 200 million) obtained from Dubai Islamic Bank for Purchase of Sharia Compliant shares on DIBPL's approved list at a profit rate of relevant kibor plus 2% per annum (2020: Profit rate of relevant kibor + 2% per annum) and is secured by:

> Pledge od shares with 40% margin as per approved DIBPL list;
> All shares to be held in DIBPL-CDC account before disbursement of limit and shares require exposure of Rs. 182 million.
> Token registered mortgage of PKR 0.100 million and rest covered by equitable mortgage charge over following;

- Plot # F-246, Situated at SITE Karachi;
- Shop # G-3, Rex Centre, Saddar Bazar, Karachi.

The facility is due to expire on December 31, 2021

14 TRADE AND OTHER PAYABLES

	2021	2020
	Rupees	
Trade payables	**1,083,642,982**	569,605,895
Accrued expenses	**7,589,806**	4,628,894
Sindh sales tax payable	**20,165,023**	2,399,271
Withholding income tax payable	**11,352,426**	1,958,814
Comission payable to agents	**113,365,061**	16,533,959
Future profit withheld	**26,129,015**	3,878,375
UIN net demand	**485,828,999**	123,312,431
Security deposit on Islamabad Property	**266,667**	266,667
CGT payable to NCCPL	**108,739,899**	-
	1,857,079,878	722,584,303

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 The Additional commisioner Inland Revenue amended the deemed assesment u/s 122 (5A) of income tax ordinance for the tax year 2015 vide order dated 20-Dec-2016 by making various additions and apportionment of expenses to the income and created a demand of Rs. 3,550,461/-. The company have filed an appeal before CIR(A). The hearing of the same is pending. The managment of the company is confident that this case will be dicided in its favor.

15.1.2 The Additional commisioner Inland Revenue amended the deemed assesment u/s 122 (5A) of income tax ordinance for the tax year 2017 vide order dated 26-Feb-2021 by making various additions and apportionment of expenses to the income and created a demand of Rs. 41,143,811/-. The company have filed an appeal before CIR(A). The hearing of the same is pending. The managment of the company is confident that this case will be dicided in its favor.

15.1.3 The company was selected for audit u/s 177 of the income tax ordinace for the tax year 2018. The Assistant commisioner of Inland Revenue passed order u/s 122(1) of income tax ordinance for the tax year 2018 vide order dated 28-May-2021 by making various additions and apportionment of expenses to the income and created a demand of Rs. 2,668,396/-. The company have filed an appeal before CIR(A). The hearing of the same is pending. The managment of the company is confident that this case will be dicided in its favor.

15.2 Commitment

	2021	2020
	Rupees	
Bank guarantee provided in favour of NCCPL in respect of exposure demand on deliverable future contract (DFC)	**98,000,000**	45,000,000
Bank guarantee provided in respect of Base Minimum Capital (BMC) requirement	**31,000,000**	58,000,000
Bank guarantee provided in favour of NCCPL in respect of exposure demand Margin Trading System (MTS)	**98,000,000**	42,000,000

		Note	2021	2020
16	**OPERATING REVENUE**		**Rupees**	
	Brokerage income			
	Commission income		**996,994,107**	273,818,737
	Less: Commission paid		**(598,685,000)**	(161,937,785)
	Net commission earned		**398,309,107**	111,880,952
	Markup / interest on:			
	Profit on Future cash margin		**1,200,018**	1,580,203
	Income under Margin Trading system		**1,415,322**	788,193
	Income under Margin Financing system		**76,222,421**	28,356,632
	Dividend income		**38,858,562**	18,679,631
	Commission on share application		**3,709,280**	-
			519,714,710	161,285,611

		Note	2021	2020
17	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Staff salaries and allowances		**27,307,648**	10,974,603
	Directors' remuneration	*17.1*	**6,080,676**	600,000
	CDC and clearing house charges		**60,559,465**	19,079,584
	IKATS & gateway charges		**868,017**	969,390
	Traveling & Conveyance		**36,120**	102,000
	Telephone & fax bills		**612,081**	571,157
	Insurance		**1,329,401**	1,312,404
	Communication		**5,890,910**	2,379,696
	Legal and professional charges		**2,209,443**	2,127,346
	Printing & stationary		**522,260**	164,005
	Electricity bills		**2,143,153**	1,365,509
	Office service charges		**4,585,623**	1,610,898
	General expense		**893,042**	698,464
	Auditors' remuneration		**756,000**	648,000
	Water charges		**187,275**	182,400
	Postage and courier		**61,570**	45,955
	Software charges		**7,238,373**	2,004,033
	Fees and subscription		**2,308,220**	1,000,706
	Rates and taxes		**2,654,627**	1,548,846
	Donation	*17.3*	**34,098,424**	17,204,947
	Expected credit loss	*9.1*	**14,014,088**	-
	Amortization of software	*5.1*	**1,143,809**	294,966
	Depreciation on investment property	*7*	**5,848,017**	3,752,502
	Depreciation on property and equipment	*4*	**6,489,692**	5,629,401
			187,837,934	74,266,812

17.1 Chief Executive, Director and Executives Remuneration

	Chief Executive		Directors		Executives		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	Rupees							
Basic salary	**2,861,120**	-	**1,192,668**	400,000	**2,400,000**	-	**4,053,788**	400,000
House allowance	**1,144,448**	-	**477,060**	160,000	**960,000**	-	**1,621,508**	160,000
Utility allowance	**286,112**	-	**119,268**	40,000	**240,000**	-	**405,380**	40,000
	4,291,680	-	**1,788,996**	600,000	**3,600,000**	-	**6,080,676**	600,000
Number of persons	**1**	-	**1**	1	**2**	-	**4**	1

17.2 None of the directors or their spouses have any interest in donees.

17.3 Company has made donations to the following parties during the period;

- Dar Us ShifaFoundation
- Shaukat Khanum Memorial Trust
- Blindness Trust
- Bait-Ul-Sukoon
- The Indus Hospital
- Usman Memorial Hospital Foundation
- Bantva Town Memon Welfare Committee
- Bantva Memon Jamat
- Bantva Hospital
- Halari Memon General Jamat
- Child life Foundation

17.4 The details of income tax that was required to be deducted by the Company as a withholding agent u/s 153, u/s 149 and other applicable provisions of Income tax ordinance, 2001 is as follows;

Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
STAFF SALARIES & ALLOWANCES					
FAISAL MALIK	1,560,000	-	1,560,000	As per slab	66,000
SAIYAR MOHAMMED	1,320,000	-	1,320,000	As per slab	42,000
ADNAN M.YOUSUF	1,800,000	-	1,800,000	As per slab	90,000
FARHANA SABA	1,200,000	-	1,200,000	As per slab	30,000
DILIP PREM GIR	600,000	600,000	-	As per slab	-
MOHAMMED AFTAB	600,000	600,000	-	As per slab	-
AHMED ABU TALIB	600,000	600,000	-	As per slab	-
MOHAMMED IQBAL	1,200,000	-	1,200,000	As per slab	30,000
YASIR	1,320,000	-	1,320,000	As per slab	42,000
KHURRAM FOJDAR	600,000	600,000	-	As per slab	-
M.JUNAID	1,200,000	-	1,200,000	As per slab	30,000
TOUSEEF	1,080,000	-	1,080,000	As per slab	24,000
ABDUL RAZZAK	1,800,000	-	1,800,000	As per slab	90,000
SALEH MOHAMMED	600,000	600,000	-	As per slab	-
KAMRAN A.SATTAR	1,200,000	-	1,200,000	As per slab	30,000
ABDUL QADIR	600,000	600,000	-	As per slab	-
ANWER KHAN	600,000	600,000	-	As per slab	-
BABER	480,000	480,000	-	As per slab	-
BILAL	600,000	600,000	-	As per slab	-
FAHAD	720,000	-	720,000	As per slab	6,000
FAIZAN	600,000	600,000	-	As per slab	-
IMRAN OFFICE BOY	480,000	480,000	-	As per slab	-
IQRA	1,200,000	-	1,200,000	As per slab	30,000
JAWED YOUNUS	1,440,000	-	1,440,000	As per slab	54,000
KHURRAM JAVED	160,000	160,000	-	As per slab	-
SALEEM	600,000	600,000	-	As per slab	-
SAQLAIN	300,000	300,000	-	As per slab	-
SHAHID OFFICE BOY	480,000	480,000	-	As per slab	-
TOUFEEQ BOY	480,000	480,000	-	As per slab	-
UZAIR	600,000	600,000	-	As per slab	-
WAQAR	360,000	360,000	-	As per slab	-
ZAID FAROOQ	660,000	-	660,000	As per slab	2,500
EMPLOYEES OLD-AGE BENEFITS	267,648	-	267,648	As per slab	-
DIRECTORS' REMUNERATION (MUHAMMAD MUNIR KHANANI)	4,291,680	4,291,680	-	As per slab	528,333
DIRECTORS' REMUNERATION (MUHAMMAD ARIF)	1,788,996	1,788,996	-	As per slab	88,896
PSX CHARGES PAID	30,434,966	7,359,529	23,075,437	3%	692,263
NCCPL CHARGES PAID	23,520,715	-	23,520,715	8%	1,881,657
NCCPL Charges recovered from Clients	(3,184,687)				
Expense for the year	20,336,028				
CDC CHARGES PAID	15,391,411	-	15,391,411	8%	1,231,313
CDC Charges recovered from Clients	(5,602,940)				
Expense for the year	9,788,471				

Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
KATS ANNUAL FEE	868,017	-	868,017	3%	26,041
TRAVELING & CONVEYANCE - M.I.T Travel & tour	36,120	36,120	-	N/A	-
TELEPHONE & FAX BILLS - PTCL	*612,081*	-	*612,081*	*0*	*40,539*
INSURANCE					
Allians Health Insurance Staff	*725,000*		-	*N/A*	-
EFU General Insurance	*514,697*		-	*N/A*	-
Pak Qatar General Takaful	*89,704*		-	*N/A*	-
COMMUNICATION					
E-Ocean Pvt Limited (Sms Solution) paid	*1,614,466*	-	*1,614,466*	*3%*	*48,434*
SMS Charges recovered from clients	*(1,471,164)*				
Expense for the year	*143,302*				
Cybernet	*2,413,477*	-	*2,413,477*	*3%*	*72,404*
Storm Fiber Internet	*9,118*	-	*9,118*	*N/A*	-
Transworld Internet	*16,124*		*16,124*	*3%*	*484*
Jazz / Warid	*9,650*	-	*9,650*	*12.5%*	*1,206*
Network Solutions	*70,000*	-	*70,000*	*4.50%*	*3,150*
Network Solutions Pakistan	*257,000*	-	*257,000*	*9%*	*23,130*
Ptcl Internet	*2,972,239*	-	*2,972,239*	*12.5%*	*371,530*
LEGAL AND PROFESSIONAL CHARGES					
VIS Credit Rating Company Ltd	*533,926*	-	*533,926*	*8%*	*42,714*
Kabani Associates	*411,177*	*317,200*	*93,977*	*10%*	*9,398*
Nawaz Hussain Sikander	*150,000*	-	*150,000*	*10%*	*15,000*
Najmi	*383,340*	-	*383,340*	*10%*	*38,334*
Muniff Ziauddin & Co	*81,000*	-	*81,000*	*10%*	*8,100*
Minto & Mirza	*650,000*	-	*650,000*	*10%*	*65,000*
PRINTING & STATIONARY PAID	*561,385*	-	*561,385*	*4.50%*	*25,262*
A/c opening form charges recovered from Clients	*(39,125)*				
Expense for the year	*522,260*				
ELECTRICITY BILLS - PSX	*2,143,153*	*1,673,386*	*469,767*	*3%*	*14,093*
OFFICE SERVICE CHARGES					
Pakistan Stock Exchange room service	*1,530,602*	-	*1,530,602*	*3%*	*45,918*
PSX Office -Rent	*1,015,650*	*631,250*	*384,400*	*Slab*	*19,220*
FDM Capital Sec Pvt Ltd	*440,000*	-	*440,000*	*15%*	*66,000*
Siddique Trade Centre (Lahore)-Office maintenance	*242,192*	-	*242,192*	*3%*	*7,266*
LSE Financial Services Ltd	*17,679*	-	*17,679*	*3%*	*530*
Marine Faisal	*129,500*	*129,500*	-	*0%*	-
City Tower Plaza	*330,000*	*224,400*	*105,600*	*Slab*	*5,280*
Icon Capital Management-rent	*880,000*	-	*880,000*	*15%*	*132,000*
GENERAL EXPENSE					
Parking Charges Paid To Psx	500,000	-	*500,000*	*3%*	*15,000*
Parking Charges recovered from staff	(327,000)				
Expense for the year	173,000				
Advertisement Expenses (Diaries)	*250,000*	-	*250,000*	*3%*	*7,500*
Advertisement Expenses (Newspaper Announcement)	*207,000*	*175,950*	*31,050*	*10%*	*3,105*
PSX Penalty	*105,000*	*105,000*	-	*N/A*	-
King's Aluminum and Glass	*82,967*	-	*82,967*	*5%*	*4,148*
RSA Token To Nccpl	*75,075*	-	*75,075*	*8%*	*6,006*

Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
AUDIT FEE- RSRIR CA'S	*648,000*	*48,000*	*600,000*	*10%*	*60,000*
WATER CHARGES- PAKISTAN BEVERAGES					
Pakistan Beverages (Aquafina)	*182,400*	-	*182,400*	*4%*	*7,296*
Nordica Health (Watella)	*4,875*	-	*4,875*	*5%*	*244*
POSTAGE AND COURIER					
Tcs (Pvt) Ltd.	*26,003*	-	*26,003*	*3%*	*780*
M&P Express Logistics (Pvt) Ltd	*166,371*	-	*166,371*	*3%*	*4,991*
Less: Recovered from clients	(130,804)				
Expense for the year	*61,570*				
SOFTWARE CHARGES					
Microlinks (Pvt) Limited	*6,873,383*	-	*6,873,383*	*3%*	*206,201*
Catalyst It Solutions (Pvt) Ltd.	*364,990*	-	*364,990*	*3%*	*10,950*
FEES AND SUBSCRIPTION					
SECP Underwritting License fee	*450,075*	*450,075*	-	*N/A*	-
CS Solutions Pvt Limited	*935,180*	-	*935,180*	*3%*	*28,055*
Secp (Form A, 29)	*752,940*	*752,940*	-	*N/A*	-
Secp Broker Renewal	*50,025*	*50,025*	-	*N/A*	-
Branch Renewal fee -PSX	*40,000*	*40,000*	-	*N/A*	-
KSE Stock Brokers Association	*80,000*	-	*80,000*	*10%*	*8,000*
RENT, RATES AND TAXES					
Professional Tax - NBP	*179,125*	*179,125*	-	*N/A*	-
Chaklala Cantonment Board	*259,392*	*259,392*	-	*N/A*	-
Property Tax - Cantonment board clifton	*2,216,110*	*2,216,110*	-	*N/A*	-
DONATION	*34,098,424*	*34,098,424*	-	*N/A*	-
TOTAL ADMINISTRATIVE EXPENSE (Excluding dep & Amort)	*160,234,328*				
OFFICE EQUIPMENT PURCHASE - RYC Communication	*345,550*	-	*345,550*	*4.5%*	*15,550*
OFFICE EQUIPMENT PURCHASE - Bismillah Electronics	*467,397*	-	*467,397*	*4.5%*	*21,033*
COMPUTER PURCHASE - Ayon Computers	*980,501*	-	*980,501*	*4.5%*	*44,123*
COMPUTER PURCHASE - AL Jadeed Computers	*1,317,899*	-	*1,317,899*	*4.5%*	*59,305*
COMPUTER PURCHASE - Checkmate	*6,478,414*	-	*6,478,414*	*4.5%*	*291,529*
COMPUTER PURCHASE - Kodvavi Computers	*3,112,500*	-	*3,112,500*	*0.0%*	-
FURNITURE PURCHASE - Master Office Zone	*208,328*	-	*208,328*	*4.5%*	*9,375*
MOTORBIKE PURCHASE - Lakhani Honda Center	*77,900*	-	*77,900*	*0.0%*	-
CAR PURCHASE - Honda Atlas Car	*2,707,000*	-	*2,707,000*	*0.0%*	-
OFFICE PREMISES - Lahore Office Building	*5,610,000*	-	*5,610,000*	*0.0%*	-

18 FINANCE COSTS

	2021	2020
	—— Rupees ——	
Markup on short term borrowings	**51,914,413**	71,505,825
Bank charges	**3,733,120**	2,878,191
	55,647,533	74,384,016

19 OTHER INCOME

Profit on saving account	**224**	9,746
Rental income	**15,520,898**	11,786,026
Reversal of provision for doubtful debts - net	**-**	1,677,140
	15,521,122	13,472,912

20 TAXATION

Current	**189,227,407**	7,070,404
Prior year	**2,211,130**	-
Deferred tax	**13,735,855**	-
	205,174,392	7,070,404

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		2021	2020
20.1	**Reconciliation of tax expense with accounting profit / (loss)**	**Rupees**	
	Accounting Profit / (loss) before tax	**1,802,069,497**	370,242,095
	Tax on above @ 29%	**522,600,154**	107,370,208
	Tax effect of exempt income and income taxed at lower rate	**(332,404,782)**	(96,689,443)
	Tax effect of income taxed under presumptive tax regime	**(5,417,221)**	(2,149,641)
	Effect of disallowances / tax adjustments	**24,420,111**	3,528,715
	Effect of tax rebates	**-**	(4,989,435)
	Effect of prior year adjustment	**2,211,130**	-
		211,409,392	7,070,404

21 EARNING PER SHARE

Basic earning per share

	2021	2020
Profit after taxation	**1,596,895,105**	363,171,691
Weighted average number of shares outstanding during the year	**39,514,054**	39,514,054
Earning per share - basic	**40.41**	9.19

Diluted Earning per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares as at June 30, 2021 and June 30, 2020.

	2021	2020
	Rupees	
22 CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,089,176,907**	571,748,836
Short term borrowings	**(2,054,918,187)**	(792,835,689)
	(965,741,280)	(221,086,853)

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 17.1 to the financial statements. Transactions entered into with related parties and balances held with them, other than those disclosed elsewhere in these financial statements, are as follows:

Name of the related party, relationship with company and Nature of Transaction	*Note*	2021	2020
		Rupees	
KEY MANAGEMENT PERSONNEL			
Muhammad Munir (CEO / Director)			
Transaction during the year			
Commision earned on sale and purchase of securities		**21,524,677**	**4,933,815**
Balances at the year end			
Trade Payable at year end		**27,065,655**	**1,292,765**
Manzoor Ahmed (Director)			
Transaction during the year			
Commision earned on sale and purchase of securities		**4,379,538**	**2,953,116**

	Note	2021	2020
		Rupees	
Balances at the year end			
Trade Payable at year end		**572,563**	**363,639**
Mohammad Arif (Director)			
Balances at the year end			
Trade Payable at year end		**15,393**	**16,045**
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL			
Abdul Hadi			
Transaction during the year			
Commision earned on sale and purchase of securities		**3,203,645**	**704,857**
Balances at the year end			
Trade Payable at year end		**711,390**	**427,003**
Rozmeen Arif			
Balances at the year end			
Trade Payable at year end		**15,398**	**16,082**

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 recognised at the reporting date if counterparties fail completely to perform as contracted / discharge on 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	**2,438,000**	2,290,000
Investments	**2,207,960,091**	988,927,819
Trade debts	**3,255,296,225**	1,054,231,553
Loans, advances & other receivables	**95,449,521**	21,283,898
Bank balances	**1,088,761,170**	571,333,099
	6,649,905,007	2,638,066,369

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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 Carrying amount	**Life time expected credit losses**	Gross Carrying amount	Life time expected credit losses
	Rupees			
Past due 1-30 days	**909,076,853**	**1,361,011**	198,219,910	491,444
Past due 31-180 days	**71,171,160**	**420,704**	122,435,836	351,499
Past due 181-365 days	**5,283,528**	**2,181,073**	107,250,284	23,990,377
More than 365 days	**113,587,942**	**36,463,979**	108,174,072	1,579,359
	1,099,119,483	**40,426,767**	536,080,102	26,412,679

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

	2021		2020	
	Gross Carrying amount	**Life time expected credit losses**	Gross Carrying amount	Life time expected credit losses
	Rupees			
Past due 1-30 days	**1,752,429,212**	-	288,401,572	-
Past due 31-180 days	**322,420,867**	-	199,916,660	-
Past due 181-365 days	**86,117,321**	-	4,937,605	-
More than 365 days	**35,636,109**	-	50,947,458	-
	2,196,603,509	-	544,203,295	-

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.

c) 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:

	2021	2020
	Rupees	
AA+	**23,768,664**	154,471,984
AA	**41,676,003**	17,459,761
AAA	**685,685,431**	2,149,499
A+	**17,415,061**	10,221,282
A	**50,085,655**	100,378
AA-	**259,007,153**	386,895,195
BBB-	**11,123,204**	35,000
	1,088,761,171	571,333,099

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				
Short term borrowings	2,054,918,187	2,054,918,187	2,054,918,187	-
Trade and other payables	1,857,079,878	1,857,079,878	1,857,079,878	-
Accrued markup	14,600,791	14,600,791	14,600,791	-
	1,871,680,669	1,871,680,669	1,871,680,669	-

	2020			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities				
Short term borrowings	792,835,689	792,835,689	792,835,689	-
Trade and other payables	722,584,303	722,584,303	722,584,303	-
Accrued markup	6,449,942	6,449,942	6,449,942	-
	1,521,869,934	1,521,869,934	1,521,869,934	-

24.1.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of 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 was as follows:

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - PLS *account*	7% - 8%	4.5% - 7%	250,064,700	570,875,671
Financial liabilities				
Short term borrowings	1-3 Months KIBOR + 1.5%-2.5%	3 Months KIBOR + 2%-2.5%	2,054,918,187	792,835,689

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.

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Cash flow sensitivity

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

	Effect on profit or loss	
	100 bps increase	100 bps decrease
	------------- Rupees -------------	
As at June 30, 2021	**20,549,182**	**(20,549,182)**
As at June 30, 2020	7,928,357	(7,928,357)

(c) *Price risk*

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

Sensitivity analysis

The table below summarises the Company's equity price risk as at June 30, 2020 and shows the effect of a hypothetical 5% increase or decrease in market prices as at the reporting date. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenario. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value	Hypothetical price change	Hypothetical increase / (decrease) in other comprehensive income
June 30, 2021	**2,096,734,838**	**5% change**	**104,836,742**
June 30, 2020	867,313,700	5% change	43,365,685

24.2 Financial instruments by category

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	2021		
	Financial assets at amortised cost	**At fair value through profit or loss**	**Financial liabilities at amortised cost**
June 30, 2021			
Financial assets			
Long term deposits	**2,438,000**	-	-
Short term investment - Fair value through profit or loss	-	**2,207,960,091**	-
Trade debts	**3,255,296,225**	-	-
Loans, advances & other receivables	**95,449,521**	-	
Cash and bank balances	**1,089,176,907**	-	-
	4,442,360,653	**2,207,960,091**	-
Financial liabilities			
Short term borrowings - secured	-	-	**2,054,918,187**
Trade and other payables	-	-	**1,857,079,878**
Accrued markup on short term borrowings	-	-	**14,600,791**
	-	-	**3,926,598,856**

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	2020		
	Financial assets at amortised cost	At fair value through profit or loss	Financial liabilities at amortised cost
June 30, 2020			
Financial assets			
Long term deposits	2,290,000	-	-
Short term investment - Fair value through profit or loss	-	988,927,819	-
Trade debts	1,054,231,553	-	-
Loans, advances & other receivables	21,283,898	-	-
Cash and bank balances	571,748,836	-	-
	1,649,554,287	988,927,819	-
Financial liabilities			
Short term borrowings - secured	-	-	792,835,689
Trade and other payables	-	-	722,584,303
Accrued markup on short term borrowings	-	-	6,449,942
	-	-	1,521,869,934

24.3 Fair value hierarchy

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

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

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

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).

Following is the fair value hierarchy of financial assets carried at fair value in the balance sheet:

	Level 1	**Level 2**	**Level 3**	**Total**
June 30, 2021	**Rupees**			
Short term investments	**2,096,734,838**	**111,225,253**	**-**	**2,207,960,091**
	2,096,734,838	**111,225,253**	**-**	**2,207,960,091**

	Level 1	Level 2	Level 3	Total
June 30, 2020	Rupees			
Short term investments	835,455,428	153,472,391	-	988,927,819
	835,455,428	153,472,391	-	988,927,819

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

	Note	**2021**	2020
		Rupees	
The Capital Adequacy Level of the Company as of the reporting date was as follows:			
Total assets	*25.2.1*	**6,882,316,809**	2,866,956,927
Less: Total liabilities		**(3,926,598,856)**	(1,521,869,934)
Less: revaluation reserves (created upon revaluation of fixed assets)		**-**	-
		2,955,717,953	1,345,086,993

25.2.1 Capital Adequacy Level as at June 30

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

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

DESCRIPTION	VALUATION	RUPEES
CURRENT ASSETS		
Cash in hand or in bank	As per book value	1,116,365,368
Trade Receivables	Book Value less those overdue for more than fourteen days	1,721,321,043
Investment in listed securities in the name of broker.	Securities marked to market less 15% discount	1,876,766,077
Securities purchased for customer	Securities purchased for the customers and held by the broker where the payment has not been received within fourteen days.	1,352,539,439
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 less 5% discount.	-
Treasury Bill	At market value	-
		6,066,991,927
CURRENT LIABILITIES		
Trade Payables	Book value less those overdue for more than 30 days	245,947,981
Other Liabilities	As classified under the generally accepted accounting principles	3,680,650,875
		3,926,598,856
NET CAPITAL BALANCE AS AT JUNE 30, 2021		2,140,393,071

Notes to the Net Capital Balance

	Rupees
1 Cash and bank balances	
Cash in hand	415,737
Exposure margin deposited with NCCPL against trading of securities	27,188,461
Bank balance pertaining to clients	1,087,612,242
Bank balance pertaining to brokerage house	1,148,928
	1,116,365,368
2 Trade receivables	
Receivables against Ready Market	
Book value	1,099,119,483
Less: overdue for more than 14 days	(236,123,433)
	862,996,050
Receivable against unsettled trade	25,039,515
Receivables against MF	
Book value	2,196,603,509
Less: overdue for more than 14 days	(1,363,318,031)
	833,285,478
	1,721,321,043
3 Investment in Listed Securities in the name of broker	
Securities marked to market	2,207,960,091
Less 15%	(331,194,014)
	1,876,766,077
4 Securities purchased for client	
Against Ready Market	
Overdue balance for more than 14 days	236,123,433
Lower of overdue balance and securities held against such balance	-
Against MF	
Overdue balance for more than 14 days	1,363,318,031
Lower of overdue balance and securities held against such balance	1,352,539,439
5 Trade payables	
Book value	1,083,642,982
Less: overdue for more than 30 days	(837,695,001)
	245,947,981
6 Other liabilities	
Creditors overdue for more than 30 days	837,695,001
Short term borrowings	2,054,918,187
Accrued Liabilities and Other Payables	788,037,687
	3,680,650,875

25.4 Liquid Capital [as per the requirments 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	152,677,081	100.00%	-
1.2	Intangible Assets	5,168,889	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**	-		
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	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.	2,096,734,838	(357,157,755)	1,739,577,083
	ii. If unlisted, 100% of carrying value.	111,225,253	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,100,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	25,039,515	-	25,039,515
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	10,338,000	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	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	3,221,545	0.00%	3,221,545
	ii. Advance Tax to the extend it is netted with provision of taxation.	74,150,095	0.00%	74,150,095
	iii. Other Receivables other than trade receivables	-	100.00%	-
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.	-	-	-
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.***	2,196,603,509	2,176,476,384	2,176,476,384
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	27,188,461	5.00%	25,829,038
	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***	666,054,925	-	666,054,925
	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***	392,637,790	(126,981,662)	265,656,128
	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	1,148,928	-	1,148,928
	ii. Bank balance-customer accounts	1,087,612,242	-	1,087,612,242
	iii. Cash in hand	415,737	-	415,737
1.19	Subscription money against investment in IPO / offer for sale (asset)	30,000,000	0.00%	30,000,000
1.19	**Total Assets**	**6,882,316,809**		**6,095,181,620**

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2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,083,642,982	-	1,083,642,982
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	140,257,348	-	140,257,348
	ii. Accruals and other payables	647,780,339	-	647,780,339
	iii. Short-term borrowings	2,054,918,187	-	2,054,918,187
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	13,735,855	-	13,735,855
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**	-	-	-
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 in capital.	-	-	-
2.5	**Total Liabilites**	3,940,334,711		3,940,334,711

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.	-	319,767,583	319,767,583
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issuse : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign 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 securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	33,541,276	33,541,276
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	157,761,406	157,761,406
	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 proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	-	**511,070,265**	**511,070,265**
		2,941,982,098	**Liquid Capital**	**1,643,776,644**

The financial information has been prepared in conformity with the accounting policies of M Munir M Ahmed Khanani Securities Limited, Securities Brokers (Licensing and Operations) Regulations 2016 and the guidelines issued by the Securities and Exchange Commission of Pakistan.

26 AMENDMENTS TO THE PREVIOUSLY ISSUED FINANCIAL STATEMENTS

As stated in note 2.1 to the financial statements, this set of financial statements is the amended version of the previously issued financial statements for the year ended June 30, 2021 (which were approved by the Board of Directors of the Company in their meeting held on September 28, 2021). After the said financial statements had been issued, certain figures reported therein were not computed by the system as per the stated policy for computation of capital gain identified subsequently by the management while reconciling the amount realised capital gain computed by the management information system and NCCPL and accordingly the cost of inventory and realised capital gain was erronously computed in the trial balance as against the reconciliation of amounts subsequently identified.

Moreover, subsequently , management identified that tax credit on donation availed in computation of current tax was erronously taken as the donations made to certain donee were not eligible for the tax credit.

Hence, in order to depict the true financial position of the Company as at June 30, 2021 and its financial performance and cash flows for the year then ended, the management deemed it necessary to issue the amended financial statements.

	As previously reported	As amended	Change
Balance sheet as at June 30, 2021			
Equity and liabilities			
Unappropriated profit	2,568,381,075	2,546,841,558	(21,539,517)
Deferred taxation	2,883,391	13,735,855	10,852,464
Assets			
Income tax refundable	84,837,148	74,150,095	(10,687,053)

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	As previously reported	As amended	Change
Statement of comprehensive income for the year ended June 30, 2021			
Capital gain on sale of investments - net	1,361,588,841	1,289,239,087	(72,349,754)
Net Change in unrealized gain on re-measurement of short term investments	148,730,291	221,080,045	72,349,754
Taxation	183,634,875	205,174,392	21,539,517
Changes in Capital Adequacy Level	2,963,521,615	2,955,717,953	(7,803,662)
Change in Net Capital Balance	2,140,393,071	2,140,393,071	-
Change in Liquid Capital Balance	1,665,316,161	1,643,776,644	(21,539,517)

27 NUMBER OF EMPLOYEES

	2021	2020
	Number	
Total number of employees as at June 30,	31	15
Average number of employees during the year	32	14

28 GENERAL

28.1 The financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 27 DEC 2021.

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

CHIEF EXECUTIVE

DIRECTOR