

# **KHS SECURITIES (PRIVATE) LIMITED**

## **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

**MUSHTAQ & CO.**  
CHARTERED ACCOUNTANTS

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### *Independent auditor's report to the members of KHS Securities (Private) Limited*

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the annexed financial statements of KHS Securities (Private) Limited, which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of other 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, 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows, for the year then ended.

#### *Basis for Opinion*

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

#### *Responsibilities of Management and Board of Directors for the Financial Statements*

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

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



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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### *Report on Other Legal and Regulatory Requirements*

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



# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

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- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Ayaz Mahmood, ACA.**

  
MUSHTAQ & CO  
Chartered Accountants



Lahore. **04 OCT 2021**  
Dated: \_\_\_\_\_

**KHS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	2021	2020		2021	2020
Note	Rupees			Rupees	
	(Restated)			(Restated)	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>SHARE CAPITAL</b>			<b>NON CURRENT ASSETS</b>		
Authorized capital					
3,500,000 (2020: 3,500,000) Ordinary shares of Rs.10 each	<u>35,000,000</u>	<u>35,000,000</u>	Operating fixed assets	11 847,356	919,679
			Intangible assets	12 7,256,161	7,202,841
				<u>8,103,517</u>	<u>8,122,520</u>
Issued, subscribed and paid-up capital			Long term investment	13 20,533,912	19,605,539
2,000,000 (2020: 2,000,000) Ordinary shares of Rs.10 each	20,000,000	20,000,000	Long term deposits	14 4,971,535	4,971,535
Unappropriated profits	4,217,782	1,422,480			
Gain on investments at FVOCI	15,784,761	14,856,388			
Share deposit money	5 11,004,000	11,004,000			
	<u>51,006,543</u>	<u>47,282,868</u>			
<b>DEFERRED LIABILITIES</b>			<b>CURRENT ASSETS</b>		
Deferred taxation	6 -	-	Trade debts	15 20,834,431	8,420,265
<b>CURRENT LIABILITIES</b>			Short term investments	16 3,122,676	2,023,955
Trade & other payables	7 24,664,736	15,302,579	Advance income tax	17 602,351	606,029
Unclaimed dividend	8 215,000	215,000	Cash and bank balances	18 18,020,955	19,193,678
Provision for taxation	9 303,098	143,074		<u>42,580,413</u>	<u>30,243,927</u>
	<u>25,182,834</u>	<u>15,660,653</u>			
<b>CONTINGENCIES AND COMMITMENTS</b>				<u>76,189,377</u>	<u>62,943,521</u>
	10	62,943,521			

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE

DIRECTOR

**KHS SECURITIES (PRIVATE) LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 ----- Rupees -----	2020 (Restated)
Brokerage receipts		6,590,000	2,566,470
Gain / (Loss) on sale of short term investments - net		1,296,517	(472,810)
Fair value gain/(loss) on remeasurement of investments through profit or loss		18,769	183,360
Operating and administrative expenses	19	(5,409,146)	(4,664,987)
Other Income	20	671,033	727,180
<b>Operating income / (loss)</b>		<u>3,167,173</u>	<u>(1,660,788)</u>
Finance cost		(102,770)	(5,688)
<b>Profit / (Loss) before taxation</b>		<u>3,064,403</u>	<u>(1,666,476)</u>
Taxation	22	(269,101)	(2,368,770)
<b>Profit / (Loss) after taxation</b>		<u><u>2,795,302</u></u>	<u><u>(4,035,246)</u></u>
<b>Earnings / (Loss) per share - Basic and diluted</b>	26	<u><u>1.40</u></u>	<u><u>(2.02)</u></u>

*The annexed notes form an integral part of these financial statements.*



**CHIEF EXECUTIVE**

**DIRECTOR**

**KHS SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 ----- Rupees -----	2020 (Restated)
Profit / (Loss) after taxation		2,795,302	(4,035,246)
<b>Other comprehensive income:</b>			
<b>Items that will never be reclassified subsequently to profit or loss</b>			
Investments at fair value through other comprehensive income			
Fair value Gain/(Loss) arised during the period		928,373	1,249,083
Impact of deferred tax		-	3,946,120
		928,373	5,195,203
Total comprehensive income for the year		3,723,675	1,159,957

*The annexed notes form an integral part of these financial statements.*



**CHIEF EXECUTIVE**

**DIRECTOR**

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

	Note	2021 ----- Rupees -----	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		3,064,403	(1,666,476)
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation	11	121,923	138,138
Dividend income		(671,033)	(727,180)
Other income		-	-
(Gain) / Loss on sale on investment		(1,296,517)	472,810
Unrealized loss on remeasurement of investment		(18,769)	(183,360)
Finance cost		102,770	5,688
		(1,761,626)	(293,904)
<b>Profit / (loss) before working capital changes</b>		<b>1,302,777</b>	<b>(1,960,380)</b>
<b>Effect on cash flow due to working capital changes</b>			
<b>Decrease / (increase) in current assets:</b>			
Trade debts		(12,414,166)	7,196,725
Loans and advances		-	-
<b>(Decrease) / increase in current liabilities:</b>			
Trade and other payables		9,362,157	(1,238,121)
		(3,052,009)	5,958,604
<b>Cash (used in) / generated from operations</b>		<b>(1,749,233)</b>	<b>3,998,225</b>
Income tax paid		(105,399)	(112,928)
Finance cost paid		(102,770)	(5,688)
		(1,957,402)	3,879,609
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,957,402)</b>	<b>3,879,609</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		5,453,441	4,054,700
Payment for acquisition of Investments		(5,236,875)	(4,060,550)
Purchase of intangibles		(53,320)	-
Payment for acquisition of fixed assets		(49,600)	(9,800)
Decrease in long term deposits		-	-
Dividend Received		671,033	727,180
		784,679	711,530
<b>Net cash generated from investing activities</b>		<b>(1,172,723)</b>	<b>4,591,139</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>19,193,678</b>	<b>14,602,537</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>19,193,678</b>	<b>14,602,537</b>
<b>Cash and cash equivalents at the end of the year</b>	18	<b>18,020,955</b>	<b>19,193,679</b>

*The annexed notes form an integral part of these financial statements.*



**CHIEF EXECUTIVE**

**DIRECTOR**



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

PARTICULARS	SHARE CAPITAL	REVENUE RESERVE ACCUMULATED PROFIT	GAIN/(LOSS) ON INVESTMENTS AT FVOCI	SHARE DEPOSIT MONEY	TOTAL
	----- Rupees -----				
Balance as at July 01, 2019	20,000,000	5,457,726	9,661,185	11,004,000	46,122,911
Profit/ (loss) for the year - Restated	-	(4,035,246)	-	-	(4,035,246)
Other comprehensive income/ (loss) for the year - restated	-	-	5,195,203	-	5,195,203
Balance as at June 30, 2020 - Restated	20,000,000	1,422,480	14,856,388	11,004,000	47,282,868
Profit/ (loss) for the year	-	2,795,302	-	-	2,795,302
Other comprehensive income/ (loss) for the year	-	-	928,373	-	928,373
Balance as at June 30, 2021	20,000,000	4,217,782	15,784,761	11,004,000	51,006,543

*The annexed notes form an integral part of these financial statements.*



**CHIEF EXECUTIVE**

**DIRECTOR**

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

**1. THE COMPANY AND ITS OPERATIONS**

KHS Securities (Private) Limited (the Company) was incorporated as a private limited company in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) on August 16, 2002. The Company is a corporate member of the Pakistan Stock Exchange Limited (Formerly: Lahore Stock Exchange Limited). Its principle activities include trading and brokerage for equities, underwriting of public issues etc. The registered office of the Company is located at room no.511, 5th floor, Lahore Stock Exchange Building, 10-Khayaban-e-Aiwan-e-Iqbal, Lahore.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017
- Provisions of and directives issued under the Securities Brokers (Licencing and Operations) Regulations, 2016

Where provisions of and directives issued under the Companies Act, 2017 and Securities Brokers (Licencing and Operations) Regulations, 2016, differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and Securities Brokers (Licencing and Operations) Regulations, 2016, have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention without any adjustment for the fact of inflation or current values except investments and shares that have been measured at fair values.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistani rupees which is also the company's functional currency and presentation currency of the company and rounded off to the nearest rupee.

**2.4 New and amended Standards and Interpretations**

**2.4.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

		Effective date (annual reporting) periods beginning on or
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments : Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

- 2.4.2 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts

- 2.4.3 The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12	Service concession arrangements
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- 2.4.4 As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/ 2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

## 2.5 Key judgements and estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful lives and residual values of depreciable assets and provision for impairment there against;
- Classification and valuation of investments; and
- Provision for taxation.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the year in which they are incurred.

#### Depreciation

Depreciation on property, plant and equipment is charged to statement of profit or loss by applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives. The company charges the depreciation on addition from the date when the asset is available for use and on deletion from the date when asset is derecognized. The residual values and useful lives are reviewed by management, at each reporting date and adjusted if impact on depreciation is significant.

#### Disposal

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognized in the statement of profit or loss.

### 3.2 Intangible Assets

Intangible with finite useful lives are stated at cost less amortization and impairment, if any. Subsequently expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

### 3.3 Leasehold

Room leasehold rights are stated at cost less impairments if any. The carrying amount is reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amounts, these are written down to their estimated recoverable amount.

### 3.4 Trade and other receivables

The receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method.

### 3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in statement of financial position. For the purpose of statement of cash flows, cash and cash equivalents are comprised of cash in hand, bank balances and short term borrowings.

### 3.6 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

### 3.7 Provisions

Provisions are recognized when, the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### 3.8 Impairment


#### Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



### **Off setting financial assets and financial liabilities**

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **3.9 Earning per share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shares of the company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

### **3.10 Financial Assets and Liabilities**

#### **Financial Assets**

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **a) Amortized Cost**

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

#### **b) Fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **c) Fair value through profit or loss**

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

#### **Derecognition**

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

### Financial Liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed to profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

### 3.11 Revenue recognition

Revenue is recognized when individual performance obligation is fulfilled. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- brokerage income is recognized as and when such services are rendered.
- capital gains and losses on sale of investments are recorded on the date of sale.
- dividend income is accounted for when the right of receipt is established.

### 3.12 Taxation

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

A deferred tax liability is recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and the carry forward of unused tax losses. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the reporting date.

### 3.13 Foreign currency translation

Foreign currency transactions are translated into Pak Rupee at the exchange rate prevailing on the date of transaction. Exchange gain and losses are included in the income currently.

### 4. Effect of prior period error

In the year ended 2020 Deferred tax liability was reversed because deferred tax asset was arised in that year and company did not expect taxable profits in future year. An error was occurred that deferred tax arised and previously charged to Other comprehensive income was reversed in profit and loss account in the financial year ended 2020. As a result, in respective period, the unappropriated profit was overstated and gain on investments at FVOCI was understated. The prior period error has been corrected retrospectively.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

	As at 30 June 2021		
	As Previously reported	As Restated	Restatement
<b>Effect on Statement of Financial Position</b>			
Unappropriated profits	5,368,600	1,422,480	(3,946,120)
Gain on investments at FVOCI	10,910,268	14,856,388	3,946,120
<b>Effect on Statement of profit or loss</b>			
Taxation	1,577,350	(2,368,770)	(3,946,120)
<b>Effect on Statement of Comprehensive income</b>			
Impact of deferred tax on FV gain	-	3,946,120	3,946,120
<b>Effect on Statement of changes in equity</b>			
Accumulated profit	5,368,600	1,422,480	(3,946,120)
Gain on investments at FVOCI	10,910,268	14,856,388	3,946,120

**5. Share deposit money**

During the year 2019, Company entered into an agreement with the directors converting loan into share deposit money against which shares of the company will be issued.

**6. Deferred Taxation**

	Note	2021 ----- Rupees -----	2020
Opening balance		-	1,720,422
Add / (less): Provided /(reversed) during the year in profit or loss account		-	(1,720,422)
Less: Charged through other comprehensive income due to remeasurements		-	(3,946,120)
		<u>-</u>	<u>(3,946,120)</u>

Deferred tax liabilities / (assets) arising due to taxable /(deductible) temporary differences are as follows:

	Note	2021 ----- Rupees -----	2020
Accelerated tax depreciation		(54,685)	(76,841)
Long term investmets		-	-
ECL on trade debts		(1,149,788)	(1,045,392)
Turnover tax carried forward		(274,951)	(91,677)
Short term Investment		(2,555)	(69,273)
brought forward tax losses		(1,255,230)	(1,650,114)
		<u>(2,737,209)</u>	<u>(2,933,297)</u>

During the year deferred tax asset amounting to Rs. 2,737,209 (June 2020: Rs.2,933,297) has arised on un-used tax losses and minimum tax credit. No deferred tax asset has been recognized as the company does not foresee reasonable profits in future.

	Note	2021 ----- Rupees -----	2020
<b>7. Trade &amp; other payables</b>			
Payable to clients		24,290,418	15,054,814
Accrued Liabilities		374,318	247,765
		<u>24,664,736</u>	<u>15,302,579</u>

**8. Unclaimed dividend**

This amount is payable to a deceased ex-director. The amount has not been paid due to dispute in legal heirs.

**9. Provision for taxation**

Opening balance		143,074	130,842
Provision made during the year		269,101	143,074
		<u>412,175</u>	<u>273,916</u>
Tax paid / adjusted during the year		(109,077)	(130,842)
Closing balance		<u>303,098</u>	<u>143,074</u>

**10. Contingencies and commitments**

There were no known contingencies or commitments of the Company as at June 30, 2021 and June 30, 2020.



## 11. Operating fixed assets

Particulars	Cost			Accumulated Depreciation			Net Book Value as at June 30	Rate %
	As at July 01	Additions / (Disposals)	As at June 30	As at July 01	For the year	As at June 30		
Rupees								
Furniture and fixtures	81,132	-	81,132	67,496	1,364	68,860	12,272	10
Office equipment	1,654,452	49,600	1,704,052	1,313,735	35,760	1,349,495	354,557	10
Vehicles	1,995,916	-	1,995,916	1,430,590	84,799	1,515,389	480,527	15
<b>2021</b>	<b>3,731,500</b>	<b>49,600</b>	<b>3,781,100</b>	<b>2,811,821</b>	<b>121,923</b>	<b>2,933,744</b>	<b>847,356</b>	
<b>2020</b>	<b>3,721,700</b>	<b>9,800</b>	<b>3,731,500</b>	<b>2,673,683</b>	<b>138,138</b>	<b>2,811,821</b>	<b>919,679</b>	

## 12. Intangible assets

Particulars	Trading Right Entitlement Certificate (note 11.1)	Facility at LSE Financial Services Ltd.	Total
Rupees			
Net book value as at July 01, 2020	2,250,849	4,951,992	7,202,841
Addition	-	53,320	53,320
<b>Net book value as at June 30, 2021</b>	<b>2,250,849</b>	<b>5,005,312</b>	<b>7,256,161</b>
Net book value as at June 30, 2020	2,250,849	4,951,992	7,202,841

### 12.1 Trading Right Entitlement Certificate (TREC)

In accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, the Company received TREC of Pakistan Stock Exchange with indefinite useful life and equity shares of LSE Financial Services Ltd. (LSEFL) in lieu of its membership card of Lahore Stock Exchange Ltd. The Company's entitlement in respect of shares of LSEFL was determined on the basis of the valuation of assets and liabilities of Lahore Stock Exchange Ltd. as approved by the SECP. The Company had been allotted with 843,975 shares of LSEFL, having face value of Rs.10 each; valuing Rs.8.440 million. As at June 30, 2013 the active market value of TREC and equity shares of LSEFL was not available. The allocation of the carrying amount of membership card amounting Rs.7 million to the composite assets i.e. TREC and equity shares of the LSEFL was made based on the guidance given by the Technical Committee of the Institute of Chartered Accountants of Pakistan.

Further, Lahore Stock Exchange Limited (LSE) [now LSEFL] had introduced a minimum capital regime for the brokers and for this purpose had valued TREC at Rs.4 million as per the decision of the Board of Directors of the LSE. In the absence of an active market for TREC, this assigned value of Rs.4 million has been considered as the closest estimate of the fair value of the TREC.

In the absence of an active market for determining fair value of TREC and shares, the value of the TREC and shares have thus been measured at the value of the membership card i.e. Rs.7 million with which they had been exchanged and subsequently carried at cost. Therefore, based on the above estimates of fair values of LSE shares (Rs.8.440 million) and TREC (Rs.4 million), the Company had allocated its carrying value of the membership card in the ratio of 0.678 to shares and 0.322 to TREC. Resultantly, the shares have been recognized at Rs.4.749 million and TREC at Rs.2.251 million.



In the notice dated November 10, 2017, Ref no. PSX/N-7178, of Pakistan Stock Exchange, the notional value of the TRE certificate has been revised from Rs. 5 million to Rs. 2.5 million for the purpose of Base Minimum Capital Requirement. In the notice dated March 20, 2018, Ref no. 4348, of LSE Financial Services, net asset value per share of LSE is rupees 18.08.

In the year ending 30th June 2021, there is no change in the notional value of TRE certificate and as per notice dated October 07, 2021 Ref no. LSEFSL/55171 of Pakistan Stock Exchange, net asset value per share of LSE is Rs. 24.33 (2020: 23.23).

**13. Long term investment**

**Investment at F.V through OCI**

LSE Financial Services Ltd. (LSE)

Cost (843,975 ordinary shares of Rs.10 each)

Fair value adjustment

Note

2021

2020

----- Rupees -----

4,749,151

4,749,151

15,784,761

14,856,388

20,533,912

19,605,539

13.1 These represent shares of Rs.10/- each of LSE Financial Services Limited received on Corporatization, demutualization and integration of LSE. These shares are not quoted on any stock exchange. Out of 843,975 shares 506,385 shares have been kept in a blocked account.

**14. Long term deposits**

Membership National Commodity Exchange

Security deposit - Sialkot office

Security deposit - NCCPL

PSX clearing house deposit

3,250,000

3,250,000

1,191,535

1,191,535

100,000

100,000

430,000

430,000

4,971,535

4,971,535

**15. Trade debts - Unsecured**

Trade Debts-Considered good

Trade Debts-Considered doubtful

20,834,431

8,420,265

3,964,786

3,604,799

24,799,217

12,025,064

Less: Allowance for ECL on trade debts

15.1

(3,964,786)

(3,604,799)

20,834,431

8,420,265

**15.1. Allowance for ECL on trade debts**

Opening balance

Allowance for ECL during the year

Allowance no longer required/recovered

Closing balance

3,604,799

2,788,735

359,987

816,064

-

-

3,964,786

3,604,799

**15.2. Trade debts include due from related party as follows:**

Rahman Saleem

Saima Saleem

2,624,417

832,917

722,096

347,455

3,346,513

1,180,372

Less: Allowance for ECL

-

-

3,346,513

1,180,372

**15.3. The aging of receivable from related party as at the reporting date is as follows:**

Not past due

Past due 0 - 30 days

Past due 31 - 90 days

Past due 91 - 1 year

Past due more than 1 year

-

-

31,220

-

93,660

400,000

2,874,178

108,463

347,455

671,910

3,346,513

1,180,372

Impairment

-

-

3,346,513

1,180,372

15.4. The maximum aggregate amount outstanding by reference to month end balances is Rs. 3,401,220 ( 2020: 1,769,558/-)

		2021	2020
		----- Rupees -----	
<b>16.</b>	<b>Short term investments - at fair value through profit or loss</b>		
	Listed securities - other than related parties		
	Cost	3,139,706	2,485,775
	Less: Accumulated Gain/(Loss)	(17,030)	(461,819)
		<u>3,122,676</u>	<u>2,023,955</u>
	<b>Market values</b>		
	Aisha Steel Mills Ltd. - Nil (2020: 15000) shares	-	138,150
	Millat Tractors Ltd. - Nil (2020: 2000) shares	-	1,412,320
	Fauji Fertilizer Bin Qasim Ltd. - 7,912 (2020: 7912) shares	208,956	126,276
	Packages Ltd. - 900 (2020: 1000) shares	490,680	347,210
	Cherat Cement Company Ltd - 10,000 (2020: Nil) Shares	1,989,100	-
	Fauji Foods Limited - 7,000 (2020: Nil) Shares	126,420	-
	Power Cement Co - 32,000 (2020: Nil) Shares	307,520	-
		<u>3,122,676</u>	<u>2,023,956</u>
		2021	2020
		----- Rupees -----	
<b>17.</b>	<b>Advance income tax</b>		
	Opening balance	606,029	623,943
	Add: Payment during the year	105,399	112,928
		<u>711,428</u>	<u>736,871</u>
	Adjusted against provision for the year	(109,077)	(130,842)
	Closing balance	<u>602,351</u>	<u>606,029</u>
<b>18.</b>	<b>Cash and bank balances</b>	2021	2020
		----- Rupees -----	
	Cash in hand	36,247	13,409
	Client accounts	17,649,752	18,783,743
	House accounts	334,956	396,527
		<u>18,020,955</u>	<u>19,193,678</u>
<b>19.</b>	<b>Operating and administrative expenses</b>		
	Directors' remuneration	975,000	900,000
	Staff salaries and benefits	1,843,000	1,308,000
	PSX / LSFSL service charges	393,703	324,472
	Printing and stationery	11,062	7,846
	Postage , telephone and telegram	107,820	87,105
	Electricity	308,862	211,841
	Entertainment	-	18,772
	C.D.C charges	179,164	119,569
	Vehicle running expenses	44,340	70,245
	Professional tax	30,000	30,000
	Property tax	17,419	16,548
	Computer expenses	395,674	116,042
	Fee and subscription	80,000	113,750
	Auditors' remuneration	150,000	80,000
	- Statutory audit	123,500	75,000
	- Certification charges	273,500	155,000
	Depreciation	121,923	138,138
	SECP charges	79,387	68,761
	NCCPL charges	161,218	142,587
	Allowance for ECL on trade debts	359,987	816,064
	Miscellaneous expenses	27,087	20,247
		<u>5,409,146</u>	<u>4,664,987</u>
<b>20.</b>	<b>Other Income</b>		
	Dividend Income	671,033	727,180
	Other Income	-	-
		<u>671,033</u>	<u>727,180</u>

7

**21. Remuneration of Chief Executive and a Director**

Particulars	2021			2020		
	Chief Executive Director	Director	Total	Chief Executive Director	Director	Total
No. of persons	1	1	2	1	1	2
	----- Rupees -----					
Managerial services	540,000	360,000	900,000	540,000	360,000	900,000
Bonus	45,000	30,000	75,000	-	-	-
<b>Total</b>	<b>585,000</b>	<b>390,000</b>	<b>975,000</b>	<b>540,000</b>	<b>360,000</b>	<b>900,000</b>

21.1 There are Nil(2020: Nil) employees fall in the category of executives.

	Note	2021 ----- Rupees -----	2020
<b>22. Taxation</b>			
Current-current year	22.1	303,098	147,574
Current-Prior year		(33,997)	(4,500)
Deferred		-	2,225,696
		<u>269,101</u>	<u>2,368,770</u>

22.1 Provision for current year includes mainly tax on dividend income and commission income under section 150 and 113 respectively of the Income Tax Ordinance, 2001.

22.2 Reconciliation of applicable rate and effective rate of tax has not been made due to the application of minimum tax u/s 113 in current year

**23. Capital adequacy level**

Total assets	23.1	76,438,528	63,192,672
Less: Total liabilities		(25,182,834)	(15,660,653)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		<u>51,255,694</u>	<u>47,532,019</u>

23.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the KHS Securities (Pvt.) Limited as at year ended June 30, 2021, as determined by Pakistan Stock Exchange has been considered.

**24. Financial instruments and related disclosures**

**Financial risk management**

The Company's activities expose to a variety of financial risks from use of financial instruments including:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

**Company's risk management objective and policies**

The Company's risk management policies are established to identify and analysis the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through it's training and management standards and procedures, aims to develop discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's management oversees how management monitors and compliance with company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

#### 24.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter party fail completely to perform as contracted and arise principally from trade receivables, loans and advances and trade deposits.

To manage exposure to credit risk in respect of trade receivables. Management maintains procedures covering the application for credit approvals, granting and renewal of counter parties limit taking into account the customer's financial position, past track record, credit rating and factors. As a part of these processes, exposures of credit risk are regularly monitored, assessed and customers are persuaded for prompt recovery. In addition to this the company has established an allowance for impairment that is estimate of expected losses in respect of trade debts. This allowance is based on management assessment of specific loss component that relate to significant exposures. Sales and purchase transactions are also excluded against advance payments to further prudently manage the credit risk.

The Company limits its exposure to credit risk by following the policies and procedures of approval and continuous monitoring of loans and advances extended to management / staff and supplier and maintain bank account only with counterparty that have high degree of credit rating. Advance tax is adjustable or recoverable from FBR which is a State authority and high credit rating. Given these high credit ratings, management do not expect that any of these counterparty fail to meet its obligations.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was:

	Note	2021	2020
		----- Rupees -----	
Long term investment		20,533,912	19,605,539
Long term deposits		4,971,535	4,971,535
Trade debts		20,834,431	8,420,265
Short term investments		3,122,676	2,023,955
Bank balances		17,984,708	19,180,269
		<u>67,447,262</u>	<u>54,201,563</u>

#### 24.1.1 Aging and movement in Impairment losses

	Note	2021	2020
		----- Rupees -----	
The aging of receivables as at the reporting date is as follows:			
Not past due		-	7,304
Past due 0 - 30 days		11,587,631	20,476
Past due 31 - 90 days		500	400,287
Past due 91 - 1 year		4,010,903	177,294
Past due more than 1 year		9,200,183	11,419,703
		<u>24,799,217</u>	<u>12,025,064</u>
		<u>(3,964,786)</u>	<u>(3,604,799)</u>
Impairment		<u>20,834,431</u>	<u>8,420,265</u>

#### Concentration of credit risk

Concentration of credit risk arises when a number of counter parties engage in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similar affected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

The allowance accounts in respect of trade receivables, loans and advances are used to record impairment losses unless the company is satisfied that no recovery of the amount owing is possible, at that point the amount considered irrecoverable is written off against the financial asset directly.

## 24.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market position due to dynamic nature of the business. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation.

Following are the contractual maturities of financial liabilities as at June 30, 2021 and June 30, 2020:

Financial liabilities	Carrying amount	Contractual cash flows	Less than one year
-----------------------	-----------------	------------------------	--------------------

----- Rupees -----

### Trade and other payables - unsecured

- As at June 30, 2021	24,664,736	24,664,736	-
- As at June 30, 2020	15,302,579	15,302,579	-

The company is not materially exposed to liquidity risk as substantially all obligations, commitments of the company are of short term and routine in nature (accrued expense) and are restricted to the extent of available liquidity except the long term unsecured interest free loan obtained from the directors redeemable at the option of the company. As a part of liquidity risk management policy company follows effective cash flow, planning, controlling and management procedures to ensure availability of funds through effective working capital management and to appropriate measures for new requirements.

## 24.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect company's income or the value of its holding of financial instruments. The objective of the market risk management is to manage and control market exposures within acceptable parameters, while optimising the return on risk.

### Foreign currency risk management

Foreign currency risk arises mainly where receivables and payables exists due to the transactions with foreign undertakings. Financial assets and financial liabilities of the company are not exposed to currency risk as a company has not entered into any transaction with any foreign undertakings.

### Interest rate risk management

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company has no significant long term interest bearing financial assets and liabilities whose fair value or cash flows will fluctuate because of the changes in market interest rates. As there is no interest bearing financial assets and liabilities, therefore disclosure requirement of effective rate of interest is not attractive.

### Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital. In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

## 24.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instrument at the reporting date that a sensitive to price fluctuations.

### Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Carrying amount			Carrying amount		
2021			2020		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income

Rupees

#### Assets

##### Non-Current Assets

Long Term Investment  
Long Term Deposits  
Trade Debts  
Short Term Investment  
Cash and Bank Balances

		20,533,912	-	-	19,605,539
	-	-	4,971,535	-	-
4,971,535	-	-	8,420,265	-	-
20,834,431	-	-	-	2,023,955	-
-	3,122,676	-	19,193,678	-	-
18,020,955	-	-			
<b>43,826,921</b>	<b>3,122,676</b>	<b>20,533,912</b>	<b>32,585,478</b>	<b>2,023,955</b>	<b>19,605,539</b>

#### Liabilities

Trade and other payables

			8,420,265	-	-
24,664,736	-	-			
<b>24,664,736</b>	<b>-</b>	<b>-</b>	<b>8,420,265</b>	<b>-</b>	<b>-</b>

The basis for determining fair values is as follows:

#### Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

### Fair value hierarchy

The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>JUNE 30, 2021</b>				
At fair value through other comprehensive income Long Term Investment	-	20,533,912	-	20,533,912
At fair value through profit or loss Short Term Investment	3,122,676	-	-	3,122,676
<b>June 30, 2020</b>				
At fair value through other comprehensive income Long Term Investment	-	19,605,539	-	19,605,539
At fair value through profit or loss Short Term Investment	2,023,955	-	-	2,023,955

### Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

#### Long Term Investment

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up value according to the audited financial statements.

#### Short Term Investment

The fair value of held for trading investment is determined by reference to their quoted closing value at the reporting date.

<b>26. Earning per share - Basic and diluted</b>	<b>2021</b>	<b>2020</b>
Net (loss) / profit for the year (Rupees)	<u>2,795,302</u>	<u>(4,035,246)</u>
Weighted average number of shares outstanding during the period	<u>2,000,000</u>	<u>2,000,000</u>
(Loss) / earnings per share - basic and diluted (Rupees per share)	<u>1.40</u>	<u>(2.02)</u>

**27. Transactions with related parties**

The related parties comprise Directors of the company and key management personnel. Following is the detail of transactions other than remuneration of Directors and key management personnel as disclosed in note 20 to these financial statements.

Related Parties	Nature of transaction	Note	2021		2020	
			----- Rupees -----			
Rehman Saleem	Purchase of shares		-			361,040
	Sale of shares		-			578,500
	Receipts during the year		4,741,500			12,661,382
	Payments during the year		2,950,000			12,560,000
Saima Saleem	Purchase of shares		197,824,065			11,586,248
	Sale of shares		197,777,423			11,603,417
	Receipts during the year		428,000			-
	Payments during the year		100,000			-

**28. Pattern of shareholding**

As at June 30, 2021, Mr. Rahman Saleem (Chief Executive), Ms. Saima Saleem (Director), Mr. Kh. Hamad Saeed (Director) and Ms. Begum Shafqat Saeed (Director) held more than 5% of the issued, subscribed and paid-up capital of the Company.

Shareholders	Number of Shares		Percentage	
	2021	2020	2021	2020
Mr. Rahman Saleem (Chief Executive)	800,000	800,000	40%	40%
Ms. Saima Saleem (Director)	800,000	800,000	40%	40%
Mr. Khawaja Hamad Saeed (Director)	200,000	200,000	10%	10%
Ms. Begum Shafqat Saeed (Director)	200,000	200,000	10%	10%
	<u>2,000,000</u>	<u>2,000,000</u>	<u>100%</u>	<u>100%</u>

**29. Number of employees**

Total number of employees as at June 30,

Average number of employees during the year June 30,

2021	2020
<u>7</u>	<u>6</u>
<u>7</u>	<u>6</u>

**30. Date of authorization for issue**

These financial statements have been authorized for issue on 04 OCT 2021 by the Board of Directors of the Company.

**31. Corresponding figures**

Corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements.



CHIEF EXECUTIVE

DIRECTOR