

**PASHA SECURITIES  
(PRIVATE) LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Pasha Securities (Private) Limited**

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

### **Opinion**

We have audited the annexed financial statements of Pasha Securities (Private) Limited ("the Company"), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, statement of comprehensive income, 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, statement of comprehensive income, 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, 2020 and of the profit and other comprehensive loss, 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 is 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.



We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 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;
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at date on which the statement of financial position was prepared.

#### **Other Matter**

The financial statements of the Company for the year ended June 30, 2019 were audited by another firm of Chartered Accountants whose report dated October 02, 2019 expressed unmodified opinion on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shahid Farooq**.

*UHY Hassan Naeem & Co.*  
**UHY Hassan Naeem & Co.**  
**Chartered Accountants**



**ISLAMABAD**

Date: *06 OCT 2020*



**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE, 2020**

	Note	2020 Rupees	2019 Rupees	Restated 1-Jul-18 Rupees
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property and equipment	5	382,611	472,045	562,844
Right of use assets	6	29,634,000	1,666,667	1,785,714
Intangible assets	7	2,500,000	2,500,000	2,500,000
Long term investments	9	32,819,231	42,757,556	42,757,556
Long term deposits	10	527,200	1,582,200	582,200
		<u>65,863,042</u>	<u>48,978,468</u>	<u>48,188,314</u>
<b>CURRENT ASSETS</b>				
Trade & other receivables - net	11	2,404,212	2,637,300	1,419,779
Short term deposits and advances	12	3,407,000	1,107,000	2,022,426
Income tax refundable - Net	13	561,503	665,462	742,388
Short term investment	14	1,705,915	1,216,426	2,317,147
Cash and bank balances	15	20,521,130	10,891,780	18,511,421
		<u>28,599,760</u>	<u>16,517,968</u>	<u>25,013,161</u>
		<u>94,462,802</u>	<u>65,496,436</u>	<u>73,201,475</u>
<b>EQUITY &amp; LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Issued, subscribed and paid-up capital	16	47,815,800	47,815,800	47,815,800
<b>Revenue reserve</b>				
Unappropriated loss		(7,205,642)	(8,031,377)	(7,144,854)
<b>Capital reserves</b>				
Surplus on revaluation of right of asset	17	19,941,330	-	-
Fair value reserve	18	1,935,280	12,411,526	12,411,526
		<u>21,876,610</u>	<u>12,411,526</u>	<u>12,411,526</u>
		<u>62,486,768</u>	<u>52,195,949</u>	<u>53,082,472</u>
<b>NON-CURRENT LIABILITIES</b>				
Long term financing	20	3,900,000	-	-
Deferred tax liability	21	8,528,472	-	-
		<u>12,428,472</u>	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	22	19,547,562	9,131,704	15,950,219
Short-term borrowings	23	-	4,168,783	4,168,784
		<u>19,547,562</u>	<u>13,300,487</u>	<u>20,119,003</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				
	24	<u>94,462,802</u>	<u>65,496,436</u>	<u>73,201,475</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
Chief Executive Officer




  
Director

**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	Restated 2019 Rupees
Revenue	25	6,995,476	6,290,598
Operating and administrative expenses	26	(7,670,811)	(7,616,089)
Operating profit/(loss)		(675,335)	(1,325,491)
Other income	27	1,577,569	605,410
<b>Profit (Loss) before taxation</b>		<b>902,235</b>	<b>(720,081)</b>
Income tax expense	28	(76,499)	(166,443)
<b>Profit/(loss) for the year</b>		<b>825,735</b>	<b>(886,524)</b>
<b>Earnings/(loss) per share - basic</b>	29	<b>0.17</b>	<b>(0.19)</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
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Chief Executive Officer



  
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Director




**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020 Rupees	Restated 2019 Rupees
Profit/(loss) for the year	825,735	(886,524)
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to P/L</b>		
Fair value gain/(loss) on equity instruments at FVTOCI	(9,938,325)	-
Deferred tax	(537,921)	-
	(10,476,246)	
Surplus on revaluation of right of asset	28,086,381	-
Deferred tax	(8,145,051)	-
	19,941,330	-
<b>Other comprehensive income/(loss) for the year</b>	<b>10,290,819</b>	<b>(886,524)</b>

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The annexed notes 1 to 43 form an integral part of these financial statements.

  
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Chief Executive Officer



  
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Director

**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Rupees -----				
	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Total equity	
	Unappropriated profit/(loss)	Surplus on revaluation of right of use asset	Fair value reserve of financial assets at FVOCI		
Balance as at July 1, 2018	47,815,800	117,922	-	12,411,526	60,345,248
Correction of prior period error (Note: 4.7)	(7,262,776)	-	-	-	-
Balance as at July 1, 2018 - Restated	47,815,800	(7,144,854)	-	12,411,526	53,082,472
Total comprehensive income for the year	-	(886,524)	-	-	(886,524)
Profit/(loss) for the year	-	(886,524)	-	-	-
Other comprehensive income/(loss)	-	(886,524)	-	-	(886,524)
Balance as at June 30, 2019 - Restated	47,815,800	(8,031,377)	-	12,411,526	59,458,724
Total comprehensive income for the year	-	825,735	-	-	825,735
Profit/(loss) for the year	-	825,735	-	-	825,735
Other comprehensive income/(loss)	-	-	28,086,381	(9,938,325)	18,148,056
Deferred tax	-	-	(8,145,051)	(537,921)	(8,682,972)
	-	825,735	19,941,330	(10,476,246)	10,290,819
Balance as at June 30, 2020	47,815,800	(7,205,642)	19,941,330	1,935,280	62,486,768

The annexed notes 1 to 43 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**

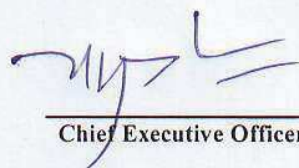




**PASHA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	Restated 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation		902,235	(720,081)
<b>Adjustments:</b>			
Depreciation and impairment		208,482	225,443
Realized loss/(gain) on sale of short-term investments		(207,962)	169,752
Unrealized loss/(gain) on short-term investments		(213,574)	648,853
Provision for doubtful debts		-	187,101
Dividend income		758,542	(509,167)
		545,488	721,982
<b>Profit before working capital changes</b>		<b>1,447,723</b>	<b>1,901</b>
<b>(Increase)/decrease in current assets</b>			
Trade & Other Receivable		233,088	(942,988)
Deposits, prepayments and other receivable		(2,300,000)	453,792
		(2,066,912)	(489,196)
Trade and Other payables		10,415,858	(6,818,516)
<b>Cash generated from/(used in) operations</b>		<b>9,796,669</b>	<b>(7,305,811)</b>
Purchase of short-term investments		(67,953)	282,116
Dividends received		(758,542)	509,167
Taxes paid		(127,040)	(89,548)
		(953,535)	701,735
<b>Net cash from/(used in) operating activities</b>		<b>8,843,134</b>	<b>(6,604,076)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		-	(15,565)
Decrease/(increase) in long-term deposits		1,055,000	(1,000,000)
<b>Net cash generated from/(used in) investing activities</b>		<b>1,055,000</b>	<b>(1,015,565)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Directors loan		(268,783)	-
<b>Net cash generated from/(used in) financing activities</b>		<b>(268,783)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>9,629,351</b>	<b>(7,619,641)</b>
Cash and cash equivalents at the beginning of the year		10,891,780	18,511,421
Cash and cash equivalents at the end of the year	15	20,521,130	10,891,780

The annexed notes 1 to 43 form an integral part of these financial statements.

  
 Chief Executive Officer



  
 Director



**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 Legal status and operations**

Pasha Securities (Private) Limited (the "Company") is a private limited company incorporated in Pakistan on March 15, 2006 under the Companies Ordinance, 1984. The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

The Company's registered office is situated at ISE Towers, Room 711, 7th Floor, 55-B, Jinnah Ave, Blue Area, G 7/2 Blue Area, Islamabad.

**1.2 Summary of Significant events and transactions in the current year**

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting year:

- There was no significant impact of COVID-19 pandemic on the carrying amounts of assets and income during the

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017,
- Provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provision of and directives issued under the Companies Act, 2017 shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

**2.3 Functional & Presentation Currency**

These financial statements are presented in Pakistan Rupees (Rs.) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise

**2.4 Use of Judgment and Estimates**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.1&5;
- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 6;
- Impairment loss of non-financial assets other than inventories – Note 3.5;
- Provision for expected credit losses – Note 3.6;
- Estimation of provisions - Note 3.12;
- Fair value of unquoted equity investments Note:9;
- Classification, recognition, measurement / valuation of financial instruments Note: 3.4 and
- provision for taxation - Note 3.7.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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



**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**3.1 Property and equipment**

**Initial Recognition**

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is direct attributable to the acquisition of the items.

**Subsequent measurement**

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. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

**Depreciation**

Depreciation on all items of property and equipment is calculated using the reducing balance method except for right of use assets in accordance with the rates specified in note 5 & 6 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from the date when the asset is available for use until the asset is disposed of.

**Disposal**

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

**Judgments and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

**Impairment**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Change in estimate**

The Company reviews useful lives of property and equipment on a regular basis. Any change in estimates in future years which might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment loss. Further, management also on a year basis reviews the carrying amounts of certain classes of property and equipment which are carried at revalued amounts. Any change in estimate in future years which might affect the carrying amount of these classes with a corresponding effect on the surplus on revaluation of property and equipment, related deferred tax liability and related charge of incremental depreciation.

**3.2 Intangible Asset - Acquired**

**TREC Certificate**

These are stated at cost less impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items. Trading Right Entitlement Certificates and Membership Card have indefinite useful life and accordingly are not amortized however, these are tested for impairment only. Impairment loss is recognized in profit and loss account.

**Judgments and estimates**

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

**3.3 Leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration



**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Company as a lessee**

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets i.e. 21 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its interest rate implicit in the lease at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in interest-bearing loans.

**Revaluation**

Any revaluation increase arising on the revaluation of right of use asset is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on right of use asset", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of right of use asset is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on right of use asset relating to a previous revaluation of that asset. The surplus on revaluation right of use asset to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

**3.4 Financial Instruments**

**Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

fair value through other comprehensive income (FVTOCI);

fair value through profit or loss (FVTPL); and

measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**Subsequent measurement**

**Debt Investments**

**at FVTOCI**

These assets are subsequently measured at fair value. Interest/markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss account. Other net gains and



**PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

**at Amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/markup income, and impairment are recognised in the statement of profit or loss.

**at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit or loss.

**Equity Investments**

**at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

**at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest /markup of dividend income, are recognised in the statement of profit and loss.

**Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

**Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.



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Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

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

**3.5 Impairment**

**Financial Assets**

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance/provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward- looking information may require significant judgment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward- looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

**Non-financial assets**

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

**3.6 Trade Receivable**

**Measurement**

Trade receivable are recognized initially at fair value and subsequently measured at cost less allowance for ECL.

**Impairment**

A provision for impairment of trade debts is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

**Judgments and estimates**

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

**3.7 Taxation**

Income tax expense comprises current and deferred tax.

**Current**

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

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

**Judgment and estimates**

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on



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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 utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

**Off-setting**

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 liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.8 Cash and cash equivalents**

These are measured at cost which is the fair value. For the purposes of cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, balances with banks on current and savings accounts and short term investment and running finance.

**3.9 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

**3.10 Share capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3.11 Trade and other payables**

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

**3.12 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

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.

**Judgement and estimates**

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.



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**3.13 Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses.

Revenue is recognized on the following basis:

**Brokerage Commission**

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

**Income on bank deposits**

Mark-up/interest on bank deposits and return on investments is recognized on accrual basis.

**Profit on exposure deposits**

Profit on exposure deposits is recognized using the effective interest rate.

**Dividend income**

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been 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.

**Others**

Gain / loss on sale of investment is recognized in the year in which they arise.

**3.14 Borrowings**

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest /mark-up to the extent of the amount unpaid at the reporting date.

**3.15 Fiduciary assets**

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

**3.16 Earnings per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**3.17 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

**4 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS**

**4.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year**

The following standard and interpretation to accounting and reporting standards as applicable in Pakistan became effective for the first time and are relevant to the Company.

a) IFRS 16 - 'Leases'

b) IFRIC - 23 'Uncertainty over Income Tax Treatments'

The adoption of the above standard and interpretation to accounting standards did not have any material effect on the financial statements, details are as follows:

**4.2 IFRS 16 - 'Leases'**

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a



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Lease. IFRS-16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction for lessees between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use

In applying the standard, the Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information.

The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company does not have any sub-lease as on July 1, 2019.

Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

The effect of adopting IFRS 16 is as follows:

-Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.

-Right-of-use assets' were recognised and presented separately in the statement of financial position

**4.3 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective**

The following amendments to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of financial statements (Amendments)	1-Jan-20
IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)	1-Jan-20
IAS 16 Property, Plant and Equipment (Amendments)	1-Jan-22
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	1-Jan-22
IAS 41 Agriculture (Amendments)	1-Jan-20
IFRS 3 Business combinations (Amendments)	1-Jan-20
IAS 39 Financial Instruments: Recognition and Measurement (Amendments)	1-Jan-20
IFRS 17 Insurance contracts (Amendments)	1-Jan-23
IFRS 7 Financial instruments: disclosures (Amendments)	1-Jan-20
IFRS 9 Financial instruments (Amendments)	1-Jan-20

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

**4.4 Further, the following new standards 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**

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

**4.5 IFRIC 12 Service concession arrangement interpretation issued by the IASB has been waived off by SECP:**

**4.6 Change in accounting policy**

During the year, the company changed its policy for subsequent measurement of right of use asset from cost to revaluation model. Detailed disclosures have been given in the relevant notes to these financial statements.



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**4.7 Correction of prior period error (Right of Use of assets)**

4.7.1 The company conducted a detailed review of fixed assets and identified error in relation to historical cost of right of use assets. The opening assets as of start of the year included land and building having carrying value of Rs. 8,143,641 which were not traceable with the records available with the Company. The asset was being carried in the books for more than 10 years and was being depreciated. As a consequence the opening assets of the Company were overstated by Rs. 7,262,776. The error has been corrected retrospectively by writing-off the untraceable assets and restating opening retained earnings as of 01 July 2018. The financial statements for prior year were restated as follows:

**Statement of profit or loss**

For the year ended 30 June 2019		
30-Jun-19	Profit Increase/ (Decrease)	2019 (Restated)
----- Rupees -----		
Depreciation expense	1,011,213	225,443
(Loss) / Profit before income tax	(1,505,852)	(720,082)
Income tax expense	(166,443)	(166,443)
Profit/ (Loss) for the year	(1,672,295)	(886,525)

**Statement of financial position**

	30-Jun-18	Increase/ (Decrease)	1-Jul-18 (Restated)	June-30-2019	Increase/ (Decrease)	2019 (Restated)
----- Rupees -----						
Right of use assets	9,048,490	(7,262,776)	1,785,714	8,143,641	(6,476,974)	1,666,667
Retained earnings	117,922	(7,262,776)	(7,144,854)	(1,554,372)	(6,477,005)	(8,031,377)

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5 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	
	----- Rupees -----				
<b>Cost</b>					
Balance as at July 01, 2018	581,495	540,636	610,364	3,603,320	5,335,815
Additions	-	15,565	-	-	15,565
Balance as at June 30, 2019	581,495	556,201	610,364	3,603,320	5,351,380
Balance as at July 01, 2019 - Restated	581,495	556,201	610,364	3,603,320	5,351,380
Additions	-	-	-	-	-
Balance as at June 30, 2020	581,495	556,201	610,364	3,603,320	5,351,380
<b>Depreciation</b>					
Balance as at July 01, 2018	465,488	481,428	476,084	3,349,971	4,772,971
For the period	17,401	18,151	20,142	50,670	106,364
Balance as at June 30, 2019	482,889	499,579	496,226	3,400,641	4,879,335
Balance as at July 01, 2019	482,889	499,579	496,226	3,400,641	4,879,335
For the period	14,791	16,986	17,121	40,536	89,434
Balance as at June 30, 2020	497,680	516,565	513,347	3,441,177	4,968,769
Carrying amount as at June 30, 2020	83,815	39,636	97,017	162,143	382,611
Carrying amount as at June 30, 2019 - Restated	98,606	56,622	114,138	202,679	472,045
Rate of Depreciation	15%	30%	15%	20%	-

5.1 Depreciation has been allocated to administrative expenses.



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**6 RIGHT OF USE ASSETS**

Set out below is the carrying amounts of right-of-use asset recognised and the movements during the year:

	Notes	2020 Rupees	Restated 2019 Rupees
<b>Net carrying value basis</b>			
As at 1st July		1,666,667	9,048,490
Assets written off		-	(7,262,776)
Balance as at July 01, 2018 - Restated		1,666,667	1,785,714
Depreciation charged for the year		(119,048)	(119,048)
Revaluation surplus		28,086,381	-
Closing balance		<u>29,634,000</u>	<u>1,666,667</u>
<b>Gross carrying value basis</b>			
Cost		1,666,667	22,247,146
Accumulated depreciation		(119,048)	(833,333)
Assets written off		-	(19,747,146)
Revaluation surplus		28,086,381	-
Closing balance		<u>29,634,000</u>	<u>1,666,667</u>

The Company has lease contract of building for a period of 21 years that is renewable for further 33 years at discretion of the lessor and lessee.

Depreciation charge on right of use assets has been charged to P&L.

**5.1 Measurement fair value**

The fair value of the right of use asset is determined at the end of each year by independent suitably qualified valuer. The fair value of the Company's investment property as June 30, 2020 were performed by Messrs. WW Engineering Services (Pvt.) Ltd., who are independent valuers not related to the Company. Messrs. WW Engineering Services (Pvt.) Ltd in on the approved list of Pakistan Banks' Association (PBA) The valuer have appropriate qualifications and recent experience in the fair value measurement of properties.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Forecd sale value is Rs. 29,634,000.

**7 INTANGIBLE ASSETS**

Trading Right Entitlement Certificate ("TREC")	7.1&7.2	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

7.1 The Company has pledged/hypothecated Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) at a notional value of Rs.2.5 million Base Minimum Capital (BMC) requirement.

7.2 Notional values of these Trading Right Entitlement Certificates is Rs. 2.5 million (2019: Rs.2.5 million), as published by PSX.

**8 FINANCIAL ASSETS OTHER THAN CASH AND BANK**

Equity instruments designated at FVTOCI	9	32,819,231	42,757,556
Financial Assets designated at FVTPL	14	1,705,915	1,216,426
Debt instruments at amortised cost			
- Long term deposits	10	527,200	1,582,200
- Trade debts - net	11	2,404,212	2,637,300
- Short term advances	12	207,000	207,000
- Short term deposits	12	3,200,000	900,000
		6,338,412	5,326,500
		<u>40,863,558</u>	<u>49,300,482</u>



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		2020	Restated 2019
	Notes	Rupees	Rupees
<b>9 LONG TERM INVESTMENT AT FVTOCI</b>			
<i>Non-listed Equity Securities</i>			
Opening Balance	9.1	42,757,556	42,757,556
Adjustment for remeasurement to fair value		(9,938,325)	-
		<u>32,819,231</u>	<u>42,757,556</u>
9.1	Opening balance include 60% (1,820,762 shares) which are held in a separate Central Depository Company Limited ("CDC") blocked sub-account .		
9.2	This represents investment in the shares of ISE REIT Management Company Limited. The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.		
<b>10 LONG TERM DEPOSITS</b>			
Central Depository Company Limited		100,300	100,300
National Clearing Company of Pakistan Limited		400,000	1,125,000
Pakistan Stock Exchange Limited		-	300,000
ISE Towers REIT Management Company Limited		26,900	26,900
		<u>527,200</u>	<u>1,552,200</u>
Other security deposits		-	30,000
		<u>527,200</u>	<u>1,582,200</u>
<b>11 TRADE &amp; OTHER RECEIVABLES - NET</b>			
Clients	11.1	2,631,021	2,518,653
Other Receivable	11.2	416,418	461,634
Less: Allowance for expected losses			
Other Clients	11.3	(643,227)	(342,987)
		<u>2,404,212</u>	<u>2,637,300</u>
<b>11.1 Aging of Trade receivable</b>			
		<b>2020</b>	
		<b>Clients</b>	<b>Total</b>
		----- Rupees -----	
Not overdue		(196,072)	(196,072)
Past due less than 30 days		1,315,597	1,315,597
Past due less than 60 days		2,802,010	2,802,010
Past due less than 90 days		(2,944,312)	(2,944,312)
Past due less than 365 days		(207,117)	(207,117)
Past due over 365 days		1,860,916	1,860,916
<b>Gross trade receivable</b>		<u>2,631,021</u>	<u>2,631,021</u>
Allowance for expected credit losses		(643,227)	(342,987)
<b>Net trade receivable</b>		<u>1,987,794</u>	<u>2,288,034</u>
11.2	This include amount receivable from NCCPL against trading of securities in all markets which is due for settlement.		
11.3 <b>Allowance for expected credit losses</b>			
Balance as at July 1		342,987	155,886
Impairment charged during the year		300,240	187,101
Closing balance (as at June 30)		<u>643,227</u>	<u>342,987</u>

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	Notes	2020 Rupees	Restated 2019 Rupees												
<b>12 SHORT TERM DEPOSITS AND ADVANCES</b>															
<b>Short-term loans and advances</b>															
Advances to employees		207,000	207,000												
<b>Short-term deposits</b>															
NCCPL exposure Margin - House		3,200,000	900,000												
		<u>3,407,000</u>	<u>1,107,000</u>												
<b>13 INCOME TAX REFUNDABLE - NET</b>															
Opening balance as at July 01		665,462													
Add: Current year provision		(230,999)	(166,474)												
		<u>434,463</u>	<u>(166,474)</u>												
Less: Adjustment against advance tax		127,040	831,936												
Balance at the end of the year- Payable/ (Refundable)		<u>561,503</u>	<u>665,462</u>												
<b>14 SHORT TERM INVESTMET AT FVTPL</b>															
<i>Listed equity Securities</i>	14.1	1,705,915	1,216,426												
		<u>1,705,915</u>	<u>1,216,426</u>												
14.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.															
<b>15 CASH AND BANK BALANCES</b>															
Cash in hand		5,354	5,394												
<b>Cash at bank - Local currency</b>															
Current accounts	15.1	20,515,776	10,891,780												
		<u>20,521,130</u>	<u>10,897,174</u>												
15.1 Cash at bank includes customers' assets in the amount of PKR 19,730,563 (2019: 10,841,735) held in designated bank accounts.															
<b>16 SHARE CAPITAL</b>															
<b>Authorized capital</b>															
16.1 4,900,000 (2019: 4,900,000) ordinary shares .of PKR 10 each.		<u>49,000,000</u>	<u>49,000,000</u>												
<b>16.2 Issued, subscribed and paid-up share capital</b>															
		2020	2019												
		<u>4,781,580</u>	<u>4,781,580</u>												
Ordinary shares of Rs.10 each, issued for cash		<u>47,815,800</u>	<u>47,815,800</u>												
<b>16.3 Shareholders holding 5% or more of total shareholding</b>															
		<table border="1"> <thead> <tr> <th colspan="2">Number of Shares</th> <th colspan="2">Percentage</th> </tr> <tr> <th>2020</th> <th>2019</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>4,781,531</td> <td>4,781,531</td> <td>99.99%</td> <td>99.99%</td> </tr> </tbody> </table>		Number of Shares		Percentage		2020	2019	2020	2019	4,781,531	4,781,531	99.99%	99.99%
Number of Shares		Percentage													
2020	2019	2020	2019												
4,781,531	4,781,531	99.99%	99.99%												
Mr. Omer Iqbal Pasha															
<b>17 SURPLUS OF REVALUATION OF RIGHT OF USE ASSET</b>															
The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of right of use assets carried at revalued amount. The surplus revaluation is presented as a separate capital reserve in the financial statements															
Revaluation surplus as at July 01		-	-												
Surplus/(deficit) arising on revaluation right of use asset		28,086,381	-												
<b>Related deferred tax effect</b>															
Surplus/(deficit) arising on revaluation right of use asset		(8,145,050)	-												
Closing balance net of deferred tax effect		<u>19,941,331</u>	<u>-</u>												

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**PASHA SECURITIES (PRIVATE) LIMITED**  
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**17.1 Restriction on distribution**

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Notes	2020 Rupees	Restated 2019 Rupees
<b>18 CAPITAL RESERVE</b>			
Fair value reserve	18.1	1,935,280	12,411,526
18.1 The fair value reserve comprises the cumulative net change in the fair value of financial assets designated at fair value through OCI.			
<b>19 FINANCIAL LIABILITIES</b>			
<b>Non-Current</b>			
<b>Financial liabilities at amortised cost</b>			
Loan from director	20	3,900,000	-
<b>Current</b>			
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	22	19,547,562	9,131,704
Short-term Loan from Director	23	-	4,168,783
		19,547,562	13,300,487
		23,447,562	13,300,487
<b>20 LONG TERM FINANCING</b>			
Loan from director	20.1	3,900,000	-
		3,900,000	-
20.1 This represents amounts received from Directors of the Company to fund short-term working capital needs. The loan bears no interest and is repayable on-demand and recognised at the face value.			
<b>21 DEFERRED TAX LIABILITY</b>			
The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:			
Deferred tax liability		8,715,008	-
Deferred tax asset		(186,536)	-
		8,528,472	-
<b>21.1 Analysis of change in deferred tax</b>			
Provision for bad debts		(186,536)	
Right of use assets		8,145,051	
Fair value gain on equity instruments at FVTPL		32,036	
Fair value gain on equity instruments at OCI		537,921	
		8,528,473	-
<b>22 TRADE AND OTHER PAYABLES</b>			
Trade creditors	22.1	18,458,691	8,393,184
Accrued and Other payables		1,088,871	738,520
		19,547,562	9,131,704
22.1 Trade payables include PKR 56,174 due to related parties.			
<b>23 SHORT-TERM BORROWINGS</b>			
Loan from director		-	4,168,783

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**PASHA SECURITIES (PRIVATE) LIMITED**  
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**24 CONTINGENCIES AND COMMITMENTS**

24.1 There are no contingencies or commitments of the Company as at June 30, 2020 (2019: Nil)

	Notes	2020 Rupees	Restated 2019 Rupees
<b>25 REVENUE</b>			
Commission Income Equity Trading		7,234,843	6,882,656
Less: Federal Excise Duty		(997,909)	(1,101,225)
		<u>6,236,934</u>	<u>5,781,431</u>
Dividend income from equity instruments at FVTOCI		728,305	509,167
Dividend income from equity instruments at FVTPL		30,237	-
		<u>758,542</u>	<u>509,167</u>
		<u><u>6,995,476</u></u>	<u><u>6,290,598</u></u>
<b>26 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Staff salaries, allowances and other benefits		1,548,400	1,158,200
Director's remuneration		3,627,345	2,508,450
Communication expense		157,740	233,148
Postage and courier charges		32,479	24,996
Entertainment		171,929	990,413
Printing and stationery		49,989	40,630
CDC trading charges		16,305	182,765
NCCPL trading charges		17,523	95,269
PSX trading charges		252,852	784,355
Provision for doubtful debts		300,240	187,101
Charity and donation		-	24,000
Travelling and conveyance		213,440	194,950
Newspapers and periodicals		5,589	4,865
Legal and professional charges		62,155	51,525
Fee and subscription		20,300	
Repair and maintenance		179,731	189,470
Auditors' remuneration	26.1	149,000	150,000
Utilities		573,136	526,451
Advertisement		6,000	-
Misc. Expenses		71,275	30,641
Bank and other charges		6,901	13,448
Depreciation		208,482	225,412
		<u>7,670,811</u>	<u>7,616,089</u>
<b>26.1 Auditor's remuneration</b>			
<i>Audit Services</i>			
Annual audit fee		<u>120,000</u>	<u>110,000</u>
<i>Non-audit services</i>			
Certifications for regulatory purposes		<u>29,000</u>	<u>40,000</u>
		<u>149,000</u>	<u>150,000</u>
<b>27 OTHER INCOME</b>			
Fair value gain on equity instruments at FVTPL		213,574	(648,853)
Gain/(loss) on sale of equity instruments at FVTPL - net		207,962	(169,752)
Miscellaneous income		1,156,033	1,424,015
		<u>1,577,569</u>	<u>605,410</u>



PASHA SECURITIES (PRIVATE) LIMITED  
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	Notes	2020 Rupees	Restated 2019 Rupees
<b>28 INCOME TAX EXPENSE</b>			
Current Tax		230,999	166,443
Deferred tax		(154,500)	-
		<u>76,499</u>	<u>166,443</u>
<b>28.1 Major components of current tax expense</b>			
Charge for current year		<u>230,999</u>	<u>166,443</u>
<b>28.2 Tax expense on items recognized in profit or loss</b>			
Provision for bad debts		(186,536)	
Fair value gain on equity instruments at FVTPL		32,036	
		<u>(154,500)</u>	<u>-</u>
<b>28.3 Numerical reconciliation between accounting profit and tax expense for the year is not possible due to calculation of tax based on minimum tax regime.</b>			
<b>29 EARNINGS PER SHARE</b>			
Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:			
Profit / (loss) after taxation, attributable to ordinary shareholders		825,735	(886,524)
Weighted average number of ordinary shares in issue during the year		<u>4,781,580</u>	<u>4,781,580</u>
<b>Earnings per share</b>		<u>0.17</u>	<u>(0.19)</u>

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

**30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for remuneration to the chief executive, directors and executives of the Company as per the terms of their employment are set out in the table below.

	2020		2019	
	CEO	Director	CEO	Director
	----- Rupees -----		----- Rupees -----	
<b>Short term employee benefits</b>				
Managerial Remuneration	1,200,000	798,000	1,710,450	798,000
Housing and Utilities	814,673	814,672	-	-
	<u>2,014,673</u>	<u>1,612,672</u>	<u>1,710,450</u>	<u>798,000</u>
<b>No. of persons</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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**PASHA SECURITIES (PRIVATE) LIMITED**  
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**31 FINANCIAL RISK MANAGEMENT**

**31.1 Risk management framework**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

**31.2 (a) Market risk**

**(i) Foreign 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company do not have any financial instruments in foreign currencies and accordingly is not exposed to such risk.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. At the reporting date, there were no variable rate interest -bearing financial instruments.

**(iii) Other price risk**

Other price risk represents the risk that the fair value or 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum exposure to price risk at the reporting date was as follows:

The Company's investment in listed shares amounting to Rupees 1.7 million (2019: Rupees 1.2) is exposed to price risk due to change in fair value.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivable**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The aging analysis of trade debts as at reporting is as follows:

Not overdue  
 Past due less than 30 days  
 Past due less than 60 days  
 Past due less than 90 days  
 Past due less than 365 days  
 Past due over 365 days  
**Gross Trade Receivable**  
 Allowance for ECL  
**Net Trade Receivable**

2020	
Clients	Total
----- Rupees -----	
(196,072)	(196,072)
1,315,597	1,315,597
2,802,010	2,802,010
(2,944,312)	(2,944,312)
(207,117)	(207,117)
1,860,916	1,860,916
<b>2,631,021</b>	<b>2,631,021</b>
(643,227)	(643,227)
<b>1,987,794</b>	<b>1,987,794</b>



**PASHA SECURITIES (PRIVATE) LIMITED**  
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**Other financial assets at amortized cost**

Other financial assets at amortized cost include deposits, short term loans and advances, and other receivables.

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances. At 30 June, 2020, the Company had Rupees 20,521,130 (2019: Rupees 10,891,780) bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
----- Rupees -----				
Contractual maturities of financial liabilities as at June 30, 2020:				
Financial liabilities :				
Long term financing	3,900,000	3,900,000	-	3,900,000
Trade and other payables	19,547,562	19,547,562	19,547,562	-
	<u>23,447,562</u>	<u>23,447,562</u>	<u>19,547,562</u>	<u>3,900,000</u>
Contractual maturities of financial liabilities as at June 30, 2019: Restated				
Financial liabilities :				
Short term borrowing	4,168,783	4,168,783	4,168,783	-
Trade and other payables	9,131,704	9,131,704	9,131,704	-
	<u>13,300,487</u>	<u>13,300,487</u>	<u>13,300,487</u>	<u>-</u>

Contractual cash flows include interest related cash flows up to the year end. The future interest related cash flows depends on the extent of utilization of short term borrowings facilities and the interest rates applicable at that time.

**32 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**32.1 Fair value of financial instruments**

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
----- Rupees -----				
<b>Financial Assets</b>				
Non-listed equity investments	32,819,231	32,819,231	42,757,556	42,757,556
Advances to employees	207,000	207,000	207,000	207,000
Listed equity investments	1,705,915	1,705,915	1,216,426	1,216,426
<b>Total</b>	<u>34,732,146</u>	<u>34,732,146</u>	<u>44,180,982</u>	<u>44,180,982</u>

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, short term finances and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

**Listed equity investments**

There is an active market for the Company's listed equity investments and quoted debt instruments.

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**PASHA SECURITIES (PRIVATE) LIMITED**  
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**Non-listed equity investments**

The shares are non-listed and there is no evidence of existence of an active market or transactions amongst the participants at an arms length basis. As an alternative approach, the break-up value of shares (calculated as per TR-22 issued by ICAP) of ISE REIT Management Company Limited as per their latest audited financial statements has been taken with adjustment for unobservable inputs related to percentage of assets of REIT stated at fair value and risk factors related to marketability of shares.

**32.2 Measurement hierarchy of financial instruments**

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value. The company does not have a financial liability measured at fair value.

	level 1	level 2	level 3	Total
	----- Rupees -----			
<b>As at June 30, 2020</b>				
<b>Financial Assets</b>				
Non-listed equity investments	-	-	32,819,231	32,819,231
Listed equity investments	1,705,915	-	-	1,705,915
	<u>1,705,915</u>	<u>-</u>	<u>32,819,231</u>	<u>34,525,146</u>
<b>As at June 30, 2019</b>				
<b>Financial Assets</b>				
Non-listed equity investments	-	-	42,757,556	42,757,556
Listed equity investments	1,216,426	-	-	1,216,426
	<u>1,216,426</u>	<u>-</u>	<u>42,757,556</u>	<u>43,973,982</u>

**32.3 Sensitivity Analysis**

The table below summarizes Company's equity price risk as of June 30, 2020 and 2019 and shows the effects of a hypothetical 10% increase and a 10% decrease in market price of non-listed equity securities as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. 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 Change	Estimated fair value after hypothetical change	Hypothetical change in shareholder equity	Hypothetical change in Profit / (Loss) after tax
<b>Real Estate Sector</b>					
<b>June 30, 2020</b>					
Non-listed equity securities	32,819,231	10% increase	36,101,154	3,281,923	-
		10% decrease	29,537,308	(3,281,923)	-
<b>June 30, 2019</b>					
Non-listed equity securities	42,757,556	10% increase	47,033,312	4,275,756	-
		10% decrease	38,481,800	(4,275,756)	-

**32.3 Reconciliation of level 3 fair values**

The following table shows reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI:

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**PASHA SECURITIES (PRIVATE) LIMITED  
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	2020	2019
	----- Rupees -----	
Real Estate Sector		
Balance as at July 01	42,757,556	42,757,556
Remeasurement recognized in OCI	(9,938,325)	-
Closing balance	<u>32,819,231</u>	<u>42,757,556</u>

**32.4 Transfers between hierarchy levels**

There were no transfers amongst the levels during the year.

**33 CAPITAL MANAGEMENT**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The total long term borrowings to equity ratio as at year end are as follows:

	Notes	2020 Rupees	2019 Rupees
Debt	20	3,900,000	4,168,783
Equity	16.2	62,486,768	52,195,949
		<u>66,386,768</u>	<u>56,364,732</u>
Debt/equity ratio		<u>5.9%</u>	<u>7.4%</u>

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

**34 CAPITAL ADEQUACY LEVEL AND CAPITAL RISK 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.

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Capital adequacy level as required by CDC is calculated as follows;

	2020	2019
	----- Rupees -----	
Total Assets	94,462,802	65,496,436
Less: Total liabilities	31,976,034	13,300,487
Less: revaluation surplus on right of use asset	19,941,330	-
Capital adequacy level	<u>42,545,438</u>	<u>52,195,949</u>

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

**35 BASE MINIMUM CAPITAL**

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, the Company is required to maintain BMC of Rs. 23 million as at June 30, 2020. The Company has pledged TRE Certificate and shares of ISE REIT to meet this requirement.



**PASHA SECURITIES (PRIVATE) LIMITED**  
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**36 NET CAPITAL BALANCE**

Description	Note	30-Jun-20 Rupees
<b><u>Current Assets</u></b>		
Cash & Bank balances	15	20,521,130
Cash Margin with NCCPL	12	3,200,000
Trade Receivables	36.2	57,430
Investment in Listed Securities	36.3	1,450,028
Securities purchased for Clients	36.4	2,025,449
Receivable from NCCPL	11	416,418
		<b>27,670,455</b>
<b><u>Current Liabilities</u></b>		
Trade payables	36.5	7,261,252
Other Liabilities	36.6	12,286,310
		<b>19,547,562</b>
<b>Net Capital Balance June 30, 2020</b>		<b>8,122,893</b>

**36.1 Statement of Compliance**

This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.

The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of the Company.

The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash & Bank balances	As per Book Value
Cash Margin with NCCPL	As per Book Value
Trade Receivables	Book value less those overdue for more than 14 days
Securities Purchased for Clients	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
Any other asset as may be specified by the commission	As per the valuation basis determined by the Commission
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

	30-Jun-20 Rupees
<b>36.2 Trade Receivable</b>	
Book Value as at June 30, 2020	2,631,021
Less: Overdue for more than 14 days	(2,573,591)
	<b>57,430</b>
<b>36.3 Investment in listed securities</b>	
Value of shares	1,705,915
Less 15% discount	(255,887)
	<b>1,450,028</b>

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**PASHA SECURITIES (PRIVATE) LIMITED**  
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**36.4 Securities purchased for clients**

These are the securities, purchased for the customers and held by the broker where the payment has not been received within fourteen days

**36.5 Trade payable**

Book Value as at June 30, 2020  
Less: Overdue for more than 30 days

**30-Jun-20**

**Rupees**

18,458,691

(11,197,439)

7,261,252

**36.6 Other Payable**

Trade payables overdue for more than 30 days  
Accrued and other payable

11,197,439

1,088,871

12,286,310

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PASHA SECURITIES (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
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37 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in	Hair Cut /	Net Adjusted
		Pak Rupees	Adjustments	Value
----- Rupees -----				
<b>I. Assets</b>				
1.1	Property & Equipment	30,016,611	30,016,611	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	<b>Investment in Govt. Securities:</b>			
	Difference between book value and sale value on the date on the basis of PKRV published by NIFT - Sale value on the date on the basis of PKRV published by NIFT		-	-
1.4	<b>Investment in Debt. Securities:</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.		-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
1.5	<b>Investment in Equity Securities:</b>			
	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.	1,705,915	345,768	1,360,147
	ii. If unlisted, 100% of carrying value.	32,819,231	32,819,231	-
1.6	<b>Investment in subsidiaries:</b>			
	- 100% of net value		-	-
1.7	<b>Investment in associated companies/undertaking:</b>			
	i. If listed 15% or VAR of each securities as computed by the Securities Exchange for respective securities whichever is higher.		-	-
	ii. If unlisted, 100% of net value.		-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity - 100% of net value	527,200	527,200	-
1.9	Margin deposits with exchange and clearing house - Nil Haircut	3,200,000	-	3,200,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil		-	-
1.11	Other deposits and prepayments - 100% haircut of carrying value		-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.: - nil - 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	-
1.13	Dividends receivables: - Nil		-	-
1.14	<b>Amounts receivable against Repo financing:</b>			
	- Amount paid as purchaser under the REPO agreement.			
	- Securities purchased under repo arrangement shall not be included in the investments.			
1.15	<b>Advances and Receivables other than trade receivables:</b>			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	207,000	207,000	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	561,503	561,503	-
	iii. In all other cases. - 100% of net value		-	-
1.16	<b>Receivables from clearing house or securities exchange(s):</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	416,418	-	416,418

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PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

37 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
		----- Rupees -----		
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate of a. value of securities held in the blocked account after applying VAR based Haircut, b. cash deposited as collateral by the Finanee and c. 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.</i>		-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.		-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract <i>- Net amount after deducting haircut</i>		-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>- Balance sheet value</i>	45,426	-	45,426
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, b. cash deposited as collateral by the respective customer and c. the market value of securities held as collateral after applying VAR based haircuts. <i>- Lower of net balance sheet value or value determined through adjustments.</i>	2,585,596	548,192	2,037,404
	vi. <i>100% haircut in the case of amount receivable from related parties.</i>		-	-
1.18	<b>Cash and Bank balances:</b>			
	i. Bank Balance-proprietary accounts	785,213	-	785,213
	ii. Bank balance-customer accounts	19,730,563	-	19,730,563
	iii. Cash in hand	5,354	-	5,354
1.19	<b>Subscription money against investment in IPO/offer for sale (asset):</b>			
	No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. <i>- Net amount after deducting haircuts</i>			
1.20	<b>Total Assets</b>	<b>95,106,030</b>	<b>67,525,505</b>	<b>27,580,525</b>
<b>2. Liabilities</b>				
2.1	<b>Trade Payables:</b>			
	i. Payable to exchanges and clearing house		-	-
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	18,458,691	-	18,458,691
2.2	<b>Current Liabilities:</b>			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	1,088,871	-	1,088,871
	iii. Short-term borrowings		-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-
2.3	<b>Non-Current Liabilities:</b>			
	i. Long-Term financing		-	-
	ii. Staff retirement benefits		-	-
	iii. other liabilities as per accounting principles and included in the financial statements  <i>- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.</i> <i>- Nil in all other cases.</i>		-	-

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PASHA SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

37 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in	Hair Cut /	Net Adjusted
		Pak Rupees	Adjustments	Value
		----- Rupees -----		
2.4	<b>Subordinated Loans:</b> 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted. In this regard, following <i>conditions</i> are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	3,900,000	3,900,000	-
2.5	<b>Advance against shares for Increase in Capital of Securities broker:</b> 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 relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	<b>Total Liabilities</b>	23,447,562	3,900,000	19,547,562

**3. Ranking Liabilities Relating to:**

3.1	<b>Concentration in Margin Financing:</b> The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	<b>Concentration in securities lending and borrowing:</b> 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 - Amount as determined through adjustment +	-	-	-
3.3	<b>Net underwriting Commitments:</b> (a) - in the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. - In the case of rights issue: where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment. (b) in any other case: 12.5% of the net underwriting commitments - Amount as determined through adjustment	-	-	-
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary - Amount as determined through adjustment	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions:</b> 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 - Amount as determined through adjustment	-	-	-
3.6	<b>Amount Payable under REPO:</b> - Carrying Value	-	-	-
3.7	<b>Repo adjustment:</b> In the case of financier/purchaser, the total amount receivable under Repo less the	-	-	-



PASHA SECURITIES (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

37 LIQUID CAPITAL BALANCE

Sr. No.	Head of Account	Value in	Hair Cut /	Net Adjusted
		Pak Rupees	Adjustments	Value
----- Rupees -----				
	110% of the market value of underlying securities.			
	In the case of finance/seller, the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser. - Amount as determined through adjustment			
3.8	<b>Concentrated proprietary positions:</b>			
	- 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	-	-	-
	- Amount as determined through adjustment			
3.9	<b>Opening Positions in futures and options:</b>			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	<b>Short sell positions:</b>			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	-
<b>Total Liquid Capital As At June 30, 2020 (1.20-2.5-3.11)</b>		<b>71,658,468</b>	<b>63,625,505</b>	<b>8,032,963</b>

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	27,580,525
(ii) Less: Adjusted value of liabilities (serial number 2.6)	19,547,562
(iii) Less: Total ranking liabilities (serial number 3.11)	-
	<u>8,032,963</u>

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**PASHA SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**38 SHARES HELD IN CUSTOMERS SUB ACCOUNTS IN CENTRAL DEPOSITORY SYSTEM**

Aggregate value of customer shares held in their sub accounts in Central depository system (Assets under custody) was Rs. 217,199,517 as at June 30, 2020 against assigned maximum custody limit of Rs. 1,466,823,850 as at June 30, 2020.

**39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties include directors, major shareholders, key management personnel, senior executives and entities over which the directors are able to exercise influence. Transaction with related parties are on arm's length basis (except for where stated else wise). Funds kept with related party are shown under bank balances. Amounts due from and due to related parties are shown under receivables and payables. The remuneration of Chief Executive and key management personnel is disclosed in respective note of these financial statements.

Nam of the related party	Nature of relationship	Transactions during the year	2020	2019
			---- Rupees ----	
Omer Iqbal pasha Director with % holding		loan repaid	(4,168,784)	-
		loan received	3,900,000	4,168,784
		<b>Closing balance</b>	<b>3,900,000</b>	<b>4,168,784</b>

**40 CORRESPONDING FIGURES**

The preparation and presentation of these financial statements for the year ended June 30, 2020 is in accordance with requirements in Companies Act, 2017 and applicable IFRs / IAS. The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassification and rearrangement have been made during the year:

Description	Reclassified from	Reclassified to	Balance as at June 30, 2020
Leasehold building	Property, plant and equipment	Right of use assets	29,634,000

**41 EVENTS AFTER REPORTING DATE**

There were no subsequent events that may require adjustment or disclosure in the financial statements as at reporting date.

**42 GENERAL**

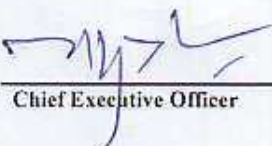
42.1 The figures have been rounded off to the nearest Rupee.

	2020	2019
42.2 Number of persons employed	5	4
Average number employees during the year	5	4

**43 DATE OF AUTHORIZATION**

These financial statements have been authorized by the Board of Directors of the Company on

*6 Oct 2020*

  
 Chief Executive Officer



*Shanzia*  
 Director