PASHA SECURITIES (PRIVATE) LIMITED

Financial Statements (Un-Audited)

For the Quarter Ended 30 September 2020

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

	Note	Sep, 2020 Rupees	Jun, 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	364,750	382,611
Right of use assets	6	29,634,000	29,634,000
Intangible assets	7	2,500,000	2,500,000
Long term investments	9	32,819,231	32,819,231
Long term deposits	10	527,200	527,200
		65,845,181	65,863,042
CURRENT ASSETS			
Trade & other receivables - net	11	4,071,056	2,404,212
Short term deposits and advances	12	4,107,000	3,407,000
Income tax refundable - Net	13	560,102	561,503
Short term invsetment	14	1,738,071	1,705,915
Cash and bank balances	15	26,926,641	20,521,130
		37,402,870	28,599,760
		103,248,051	94,462,802
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	16	47,815,800	47,815,800
Revenue reserve			
Unappropriated loss		(3,081,767)	(7,205,642)
Capital reserves			
Surplus on revaluation of right of asset	17	19,941,330	19,941,330
Fair value reserve	18	1,935,280	1,935,280
		21,876,610	21,876,610
		66,610,643	62,486,768
NON-CURRENT LIABILITIES			
Long term financing	20	3,900,000	3,900,000
Deferred tax liability	21	8,528,472	8,528,472
		12,428,472	12,428,472
CURRENT LIABILITIES			
Trade and other payables	22	24,208,936	19,547,562
Short-term borrowings	23		-
		24,208,936	19,547,562
CONTINGENCIES AND COMMITMENTS	24		
		103,248,051	94,462,802

The annexed notes 1 to "Notes 38 to 41" form an integral part of these financial statements.

Chief Executive Officer **Director**

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	**Sep, 2020 Rupees**	Jun, 2020 Rupees
Revenue	25	**3,866,314**	6,995,476
Operating and administrative expenses	26	**(548,365)**	(7,670,811)
Operating profit/(loss)		**3,317,949**	(675,335)
Other income	27	**923,849**	1,577,569
Profit (Loss) before taxation		**4,241,798**	902,234
Income tax expense	28	**-**	(76,499)
Profit/(loss) for the year		**4,241,798**	825,735
Earnings/(loss) per share - basic	29	**0.89**	0.17

The annexed notes 1 to "Notes 38 to 41" form an integral part of these financial statements.

Chief Executive Officer **Director**

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Sep, 2020 Rupees	Jun, 2020 Rupees
Profit/(loss) for the year	**4,241,798**	825,735
Other comprehensive income		
Items that will not be reclassified subsequently to P/L		
Fair value gain/(loss) on equity instruments at FVTOCI	**(9,938,325)**	(9,938,325)
Deferred tax	**(537,921)**	(537,921)
	(10,476,246)	(10,476,246)
Surplus on revaluation of right of asset	**28,086,381**	28,086,381
Deferred tax	**8,145,051**	(8,145,051)
	36,231,432	19,941,330
Other comprehensive income/(loss) for the year	**29,996,984**	10,290,819

The annexed notes 1 to "Notes 38 to 41" form an integral part of these financial statements.

Chief Executive Officer **Director**

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	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	
	---------- Rupees ----------				
Balance as at July 1, 2019	47,815,800	(886,524)	-	12,411,526	59,340,802
Correction of prior period error (Note: 4.7)		(7,262,776)			
Balance as at July 1, 2019	47,815,800	(8,149,300)	-	12,411,526	52,078,026
Total comprehensive income for the year					
Profit/(loss) for the year	-	825,735	-	-	825,735
Other comprehensive income/(loss)	-		-	-	-
	-	825,735		-	825,735
Balance as at June 30, 2020	47,815,800	(7,323,565)	-	12,411,526	60,166,537
Total comprehensive income for the year					
Profit/(loss) for the year	-	4,241,798	-	-	4,241,798
Other comprehensive income/(loss)	-	-	28,086,381	(9,938,325)	18,148,056
Deferred tax	-	-	(8,145,051)	(537,921)	(8,682,972)
	-	4,241,798	19,941,330	(10,476,246)	13,706,882
Balance as at Sep 30, 2020	**47,815,800**	**(3,081,767)**	**19,941,330**	**1,935,280**	**66,610,643**

Chief Executive Officer

Director

PASHA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 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.

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

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 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.

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.

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

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

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 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

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.

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 Quarter ended 30 Sep 2020		
	30-Sep-20	**Profit Increase/ (Decrease)**	**30-Jun-20**
	------------ Rupees ------------		
Depreciation expense	17,861	-	**225,412**
(Loss) / Profit before income tax	4,241,798	-	**902,234**
Income tax expense	-	-	**(76,499)**
Profit/ (Loss) for the year	4,241,798	-	**825,735**

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)	(6,476,974)	(8,031,377)

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5 PROPERTY AND EQUIPMENT

	Owned				Total
	Office equipment	**Computer equipment**	**Furniture and fixtures**	**Vehicles**	
	--------------------- Rupees ---------------------				
Cost					
Balance as at July 01, 2019	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
Balance as at July 01, 2020	**581,495**	**556,201**	**610,364**	**3,603,320**	**5,351,380**
Additions	**-**	**-**	**-**	**-**	**-**
Balance as at Sep 30, 2020	**581,495**	**556,201**	**610,364**	**3,603,320**	**5,351,380**
Depreciation					
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
Balance as at July 01, 2020	497,680	516,565	513,347	3,441,177	4,968,769
For the period	3,143	2,973	3,638	8,107	17,861
Balance as at Sep 30, 2020	**500,823**	**519,538**	**516,985**	**3,449,284**	**4,986,630**
Carrying amount as at Sep 30, 2020	**80,672**	**36,663**	**93,379**	**154,036**	**364,750**
Carrying amount as at June 30, 2020	83,815	39,636	97,017	162,143	382,611
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	Sep, 2020 Rupees	Jun, 2020 Rupees
Net carrying value basis			
As at 1st July		**29,634,000**	1,666,667
Assets written off		**-**	-
Balance as at July 01, 2018 - Restated		**29,634,000**	1,666,667
Depreciation charged for the year		**-**	(119,048)
Revaluation surplus		**-**	28,086,381
Closing balance		**29,634,000**	29,634,000
Gross carrying value basis			
Cost		**-**	1,666,667
Accumulated depreciation		**-**	(119,048)
Assets written off		**-**	-
Revaluation surplus		**-**	28,086,381
Closing balance		**-**	29,634,000

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

	Notes	Sep, 2020 Rupees	Jun, 2020 Rupees
Trading Right Entitlement Certificate ("TREC")	**7.1&7.2**	**2,500,000**	2,500,000
		2,500,000	2,500,000

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

	Notes	Sep, 2020 Rupees	Jun, 2020 Rupees
Equity instruments designated at FVTOCI	**9**	**32,819,231**	32,819,231
Financial Assets designated at FVTPL	**14**	**-**	1,216,426
Debt instruments at amortised cost			
- Long term deposits	**10**	**527,200**	1,582,200
- Trade debts - net	**11**	**4,071,056**	2,637,300
- Short term advances	**12**	**207,000**	207,000
- Short term deposits	**12**	**900,000**	3,200,000
		5,705,256	7,626,500
		38,524,487	41,662,157

	Notes	Sep, 2020 Rupees	Restated Jun, 2020 Rupees
9 LONG TERM INVESTMENT AT FVTOCI			
Non- listed Equity Securites			
Opening Balance	**9.1**	**32,819,231**	42,757,556

Adjustment for remeasurement to fair value	-	(9,938,325)
	32,819,231	32,819,231

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.

10 LONG TERM DEPOSITS

Central Depository Company Limited	**100,300**	100,300
National Clearing Company of Pakistan Limited	**400,000**	400,000
Pakistan Stock Exchange Limited	**-**	-
ISE Towers REIT Management Company Limited	**26,900**	26,900
	527,200	527,200
Other security deposits	**-**	-
	527,200	527,200

11 TRADE & OTHER RECEIVABLES - NET

Clients	**11.1**	**4,071,056**	2,518,653
Other Receivable	**11.2**	**-**	461,634
Less: Allowance for expected losses			
Other Clients	**11.3**	**-**	(342,987)
		4,071,056	2,637,300

11.1 Aging of Trade receivable

	2020	
	Clients	**Total**
	----- Rupees ----	
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 expected credit losses	-	(342,987)
Net trade receivable	-	(342,987)

11.2 This include amount receivable from NCCPL against trading of securities in all markets which is due for settlement.

11.3 Allowance for expected credit losses

Balance as at July 1	**342,987**	155,886
Impairment charged during the year	**-**	187,101
Closing balance (as at June 30)	**342,987**	342,987

			Restated
		Sep, 2020	Jun, 2020
12 SHORT TERM DEPOSITS AND ADVANCES	**Notes**	**Rupees**	Rupees
Short-term loans and advances			
Advances to employees		**207,000**	207,000
Short-term deposits			
NCCPL exposure Margin - House		**3,900,000**	3,200,000
		4,107,000	3,407,000

13 INCOME TAX REFUNDABLE - NET

Opening balance as at July 01	**561,503**	665,462
Add: Current year provision	**-**	(230,999)

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		561,503	434,463
Less: Adjustment against advance tax		**(1,401)**	127,040
Balance at the end of the year- Payable/ (Refundable)		**560,102**	561,503

14 SHORT TERM INVESTMET AT FVTPL

Listed equity Securities	**14.1**	**-**	1,216,426
		-	1,216,426

14.1 Fair values of these equity shares are determined by reference to published price quotations in an active market.

15 CASH AND BANK BALANCES

Cash in hand		**10,174**	5,394
Cash at bank - Local currency			
Current accounts	**15.1**	**26,916,467**	10,891,780
		26,926,641	10,897,174

15.1 Cash at bank includes customers' assets in the amount of **PKR 26,926,641** (2020: 10,897,174) held in designated bank accounts.

16 SHARE CAPITAL
Authorized capital

16.1 4,900,000 (2020: 4,900,000) ordinary shares of PKR 10 each.	**49,000,000**	49,000,000

16.2 Issued, subscribed and paid-up share capital

2020	2019			
4,781,580	4,781,580	Ordinary shares of Rs.10 each, issued for cash	**47,815,800**	47,815,800

16.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2020	**2019**	**2020**	2019
Mr. Omer Iqbal Pasha	**4,781,531**	**4,781,531**	**99.99%**	99.99%

17 SURPLUS OF REVALUATION OF RIGHT OF USE ASSET

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	**19,941,331**	-
Surplus/(deficit) arising on revaluation right of use asset	**-**	**28,086,381**
Related deferred tax effect		
Surplus/(deficit) arising on revaluation right of use asset	**-**	(8,145,050)
Closing balance net of deferred tax effect	**19,941,331**	**19,941,331**

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.

18 CAPITAL RESERVE	**Notes**	**2020 Rupees**	2019 Rupees
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.

19 FINANCIAL LIABILITIES		**Sep, 2020**	Jun, 2020
Non-Current			
Financial liabilities at amortised cost			
Loan from director	**20**	**3,900,000**	3,900,000
Current			
Financial liabilities at amortised cost			
Trade and other payables	**22**	**23,861,314**	19,547,562
Short-term Loan from Director	**23**	**-**	-
		23,861,314	19,547,562

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		27,761,314	23,447,562

20 LONG TERM FINANCING

Loan from director	**20.1**	**3,900,000**	3,900,000
		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.

21 DEFERRED TAX LIBILITY

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	**8,528,472**	8,715,008
Deferred tax asset	**-** -	186,536
	8,528,472	8,528,472

21.1 Analysis of change in deferred tax

Provision for bad debts	**-** -	186,536
Right of use assets	**-**	8,145,051
Fair value gain on equity instruments at FVTPL	**-**	32,036
#REF!	**-**	537,921
	-	8,528,472

22 TRADE AND OTHER PAYABLES

Trade creditors	**22.1**	**23,861,314**	18,458,691
Accrued and Other payables		**347,622**	1,088,871
		24,208,936	19,547,562

22.1 Trade payables include PKR 56,174 due to related parties.

23 SHORT-TERM BORROWINGS

Loan from director	**-**	4,168,783

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)

			2020	Restated 2019
25	**REVENUE**		**Rupees**	Rupees
	Commission Income Equity Trading		**3,866,314**	7,234,843
	Less: Federal Excise Duty		**-**	(997,909)
			3,866,314	6,236,934
	Dividend income from equity instruments at FVTOCI		**-**	728,305
	Dividend income from equity instruments at FVTPL		**-**	30,237
			-	758,542
			3,866,314	**6,995,476**
26	**OPERATING AND ADMINISTRATIVE EXPENSES**			
	Staff salaries, allowances and other benefits		**622,450**	1,158,200
	Director's remuneration		**259,077**	2,508,450
	Communication expense		**26,685**	233,148
	Postage and courier charges		**8,282**	24,996
	Entertainment		**41,795**	990,413
	Printing and stationery		**-**	40,630
	CDC trading charges		**18,950**	182,765
	NCCPL trading charges		**6,030**	95,269
	PSX trading charges		**70,025**	784,355
	Provision for doubtful debts		**(643,227)**	187,101
	Charity and donation		**-**	24,000
	Travelling and conveyance		**16,800**	194,950
	Newspapers and periodicals		**-**	4,865
	Legal and professional charges		**-**	51,525
	Fee and subscription		**-**	
	Repair and maintenance		**26,900**	189,470
	Auditors' remuneration	**26.1**	**-**	150,000
	Utilities		**61,170**	526,451
	Advertisement		**-**	-
	Misc. Expenses		**13,930**	30,641
	Bank and other charges		**1,637**	13,448
	Depreciation		**17,861**	225,412
			548,365	7,616,089
26.1	**Auditor's remuneration**			
	Audit Services			
	Annual audit fee		**-**	110,000
	Non-audit services			
	Certifications for regulatory purposes		**-**	40,000
			-	150,000
27	**OTHER INCOME**			
	Fair value gain on equity instruments at FVTPL		**(127,096)**	(648,853)
	Gain/(loss) on sale of equity instruments at FVTPL - net		**-**	(169,752)
	Miscellaneous income		**1,050,945**	1,424,015
			923,849	605,410

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		Notes	2020 Rupees	Restated 2019 Rupees
28	**INCOME TAX EXPENSE**			
	Current Tax		**230,999**	230,999
	Deferred tax		**-**	- 154,500
			230,999	76,499
28.1	**Major components of current tax expense**			
	Charge for current year		**230,999**	230,999
28.2	**Tax expense on items recognized in profit or loss**			
	Provision for bad debts		**-**	(186,536)
	Fair value gain on equity instruments at FVTPL		**-**	32,036
			-	**(154,500)**

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.

29 EARNINGS PER SHARE

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:

	2020	2019
Profit / (loss) after taxation, attributable to ordinary shareholders	**4,241,798**	825,735
Weighted average number of ordinary shares in issue during the year	**4,781,580**	4,781,580
Earnings per share	**0.89**	0.17

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		2020	
	CEO	**Director**	CEO	Director
	--------- Rupees --------		--------- Rupees --------	
Short term employee benefits				
Managerial Remuneration	-	-	1,200,000	798,000
Housing and Utilities	-	-	**814,673**	814,672
	-	**-**	2,014,673	1,612,672
No. of persons	1	1	1	1

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:

	2020	
	Clients	**Total**
	---------- Rupees ----------	
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	-	-
Allownace for ECL	-	-
Net Trade Receivable	-	-

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	-
	23,447,562	**23,447,562**	**19,547,562**	**3,900,000**
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	-
	13,300,487	13,300,487	13,300,487	-

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 MEASUREMNT 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 ------------------------			
Financial Assets				
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
Total	**34,732,146**	**34,732,146**	44,180,982	44,180,982

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.

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 ----------------------			
As at June 30, 2020				
Financial Assets				
Non-listed equity investments	-	-	32,819,231	32,819,231
Listed equity investments	1,705,915	-	-	1,705,915
	1,705,915	**-**	**32,819,231**	**34,525,146**
As at June 30, 2019				
Financial Assets				
Non-listed equity investments	-	-	42,757,556	42,757,556
Listed equity investments	1,216,426	-	-	1,216,426
	1,216,426	-	42,757,556	43,973,982

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
Real Estate Sector					
June 30, 2020					
Non-listed equity securities	32,819,231	10% increase	36,101,154	3,281,923	-
		10% decrease	29,537,308	(3,281,923)	-
June 30, 2019					
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:

	2020	2019
Real Estate Sector	-------- Rupees --------	
Balance as at July 01	**42,757,556**	42,757,556
Remeasurement recognized in OCI	**-**	-
Closing balance	**42,757,556**	42,757,556

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**	52,903,761
		66,386,768	57,072,544
Debt/equity ratio		**5.9%**	7.3%

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**	95,570,376
Less: Total liabilities	**31,976,034**	13,300,487
Less: revaluation surplus on right of use asset	**19,941,330**	-
Capital adequacy level	**42,545,438**	82,269,889

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.

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36 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.

37 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	Sep 2020	2020
			----- Rupees ----	
Omer Iqbal Pash	Director with % holding	loan repaid	(4,168,784)	-
		loan received	3,900,000	4,168,784
		Closing balance	**3,900,000**	4,168,784

38 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

39 EVENTS AFTER REPORTING DATE

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

40 GENERAL

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

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

41 DATE OF AUTHORIZATION

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

Chief Executive Officer **Director**