Riaz Ahmad & Company
Chartered Accountants

AKD SECURITIES LIMITED

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED 30 JUNE 2021

A member of
Nexia
International

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INDEPENDENT AUDITOR'S REPORT

To the members of AKD Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AKD SECURITIES LIMITED ("the Company"), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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 30 June 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

e) the Company was in compliance with the requirements of Section 78 of Securities Act, 2015 and Section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 05 October 2021

KARACHI

AKD SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	**175,056,137**	143,882,896
Right of use assets	4	**24,224,481**	41,567,413
Intangibles	5	**13,308,798**	14,328,398
Long term investment	6	**2,078,627,417**	7,500,000
Long term deposits	7	**13,216,258**	13,098,258
		2,304,433,091	220,376,965
CURRENT ASSETS			
Short term investments	8	**3,178,992,921**	697,489,984
Trade debts	9	**65,500,092**	66,215,600
Loans and advances	10	**91,588,507**	448,800,784
Deposits and prepayments	11	**3,262,378,322**	1,439,194,895
Other receivables	12	**3,949,697**	4,807,679
Accrued mark up		**63,837,663**	53,071,800
Cash and bank balances	13	**618,200,245**	42,019,792
		7,284,447,447	2,751,600,534
TOTAL ASSETS		**9,588,880,538**	2,971,977,499
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (2020: 250,000,000) ordinary shares of Rupees 10 each		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid up share capital	14	**1,767,699,500**	1,767,699,500
Surplus on revaluation of intangibles		**2,500,000**	2,500,000
Fair value reserve		**1,411,250,250**	3,361,578
Accumulated gain / (loss)		**2,631,916,863**	(377,053,922)
		5,813,366,613	1,396,507,156
NON-CURRENT LIABILITIES			
Liabilities against right of use assets	15	**12,734,819**	27,451,446
Long term financing	16	**700,000,000**	-
		712,734,819	27,451,446
CURRENT LIABILITIES			
Trade and other payables	17	**3,047,600,091**	1,530,192,681
Current portion of liabilities against right of use assets	15	**14,090,467**	17,826,216
Accrued markup on long term financing		**1,088,548**	-
		3,062,779,106	1,548,018,897
TOTAL LIABILITIES		**3,775,513,925**	1,575,470,343
Contingencies and commitments	18		
TOTAL EQUITY AND LIABILITIES		**9,588,880,538**	2,971,977,499

The annexed notes from 01 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

AKD SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Operating revenue	19	**1,624,969,230**	525,043,182
Capital gain on sale of investments - net	20	**2,022,914,762**	136,694,439
Fair value gain / (loss) on remeasurement of investments carried at fair value through profit or loss - net		**778,072,109**	(63,534,123)
		4,425,956,101	598,203,498
Administrative and operating expenses	21	**(818,340,195)**	(423,704,308)
Other income	22	**228,575,421**	207,605,559
Profit from operations		**3,836,191,327**	382,104,749
Finance cost	23	**(5,577,018)**	(5,760,891)
Profit before taxation		**3,830,614,309**	376,343,858
Taxation	24	**(638,358,454)**	(127,498,838)
Profit after taxation		**3,192,255,855**	248,845,020
Earnings per share - basic	25	**18.06**	1.41

The annexed notes from 01 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

AKD SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
Profit after taxation	**3,192,255,855**	248,845,020
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss:		
Fair value adjustment related to investment at fair value through other comprehensive income	**1,419,050,547**	(4,969,154)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year	**1,419,050,547**	(4,969,154)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,611,306,402**	243,875,866

The annexed notes from 01 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

AKD SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued, subscribed and paid up share capital	Reserves - Capital: Fair value reserve on 'Fair value through other comprehensive income' investments	Reserves - Capital: Surplus on revaluation of intangibles	Reserves - Revenue: Accumulated (loss) / gain	Reserves: Sub-total	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2019	1,767,699,500	8,330,732	2,500,000	(625,898,942)	(615,068,210)	1,152,631,290
Comprehensive income for the year						
Profit for the year	-	-	-	248,845,020	248,845,020	248,845,020
Other comprehensive loss:						
Fair value adjustment on invesment carried at FVTOCI	-	(4,969,154)	-	-	(4,969,154)	(4,969,154)
	-	(4,969,154)	-	248,845,020	243,875,866	243,875,866
Balance as at 30 June 2020	**1,767,699,500**	**3,361,578**	**2,500,000**	**(377,053,922)**	**(371,192,344)**	**1,396,507,156**
Comprehensive income for the year						
Profit for the year	-	-	-	**3,192,255,855**	**3,192,255,855**	**3,192,255,855**
Other comprehensive loss:						
Fair value adjustment on invesment carried at FVTOCI	-	**1,419,050,547**	-	-	**1,419,050,547**	**1,419,050,547**
	-	**1,419,050,547**	-	**3,192,255,855**	**4,611,306,402**	**4,611,306,402**
Gain realized on disposal of investments carried at FVTOCI	-	**(11,161,875)**	-	**11,161,875**	-	-
Transaction with shareholders:						
Dividend for the year ended 30 June 2020	-	-	-	**(194,446,945)**	**(194,446,945)**	**(194,446,945)**
Balance as at 30 June 2021	**1,767,699,500**	**1,411,250,250**	**2,500,000**	**2,631,916,863**	**4,045,667,113**	**5,813,366,613**

The annexed notes from 01 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

AKD SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**3,830,614,309**	376,343,858
Adjustments for non-cash items:		
Depreciation and amortization	**34,234,938**	31,961,699
Unrealized (gain) / loss on remeasurement of investment through profit or loss	**(778,072,109)**	63,534,123
Finance cost	**5,577,018**	5,760,891
Allowance for expected credit losses	**35,505,341**	56,643,492
Gain on sale of property and equipment	**(292,350)**	52,819
Other income	**(118,822,926)**	(83,931,120)
Capital gain on sale of investment in listed securities - net	**(2,022,914,762)**	(136,694,439)
Accrued mark up form related parties	**(59,968,432)**	(93,010,658)
Profit on PPTFCs	**(898,884)**	(808,299)
Dividend income	**(60,507,656)**	(553,674)
Cash generated from operations before working capital changes	**864,454,487**	219,298,692
Working capital changes		
(Increase) / decrease in current assets		
Trade debts	**(34,789,833)**	30,739,479
Loans and advances	**357,212,277**	(277,827,210)
Deposits and prepayments	**(1,823,183,427)**	(628,168,616)
Other receivables and accrued mark up	**169,782,362**	213,728,160
	(1,330,978,621)	(661,528,187)
Increase / (decrease) in current liabilities		
Trade and other payables	**1,530,489,526**	657,646,825
Accrued markup on long term financing	**1,088,548**	-
Cash generated from operating activities	**1,065,053,940**	215,417,330
Finance cost paid	**(4,286,269)**	(242,343)
Income tax paid	**(651,440,570)**	(25,235,027)
Net cash generated from operating activities	**409,327,101**	189,939,960
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(48,291,957)**	(12,351,183)
Additions to intangibles	**-**	(7,750,000)
Proceeds from sale of property and equipment	**709,550**	172,811
Proceeds from sale of investments	**20,848,917,689**	2,777,056,249
Investments made	**(21,178,712,466)**	(2,914,609,442)
Increase in long term deposits	**(118,000)**	(5,716,028)
Dividend received	**60,507,656**	553,674
Net cash used in investing activities	**(316,987,528)**	(162,643,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	**700,000,000**	-
Dividend paid	**(194,446,945)**	-
Lease rental paid against assets subject to lease	**(21,712,175)**	(16,441,411)
Net cash generated / (used) in financing activities	**483,840,880**	(16,441,411)
Net increase in cash and cash equivalents	**576,180,453**	10,854,630
Cash and cash equivalents at the beginning of the year	**42,019,792**	31,165,162
Cash and cash equivalents at the end of the year	**618,200,245**	42,019,792

The annexed notes from 01 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

AKD SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. THE COMPANY AND ITS OPERATIONS

AKD Securities Limited ("the Company") was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on 16 May 2007. The Company is licensed to operate as securities broker, consultant to the issue and underwriter from the Securities and Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and Membership Card of Pakistan Mercantile Exchange Limited. The principal activities of the Company are brokerage of shares and/or commodities, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services. The registered office of the Company is located at 602, Continental Trade center, Block-8, Clifton Karachi.

1.1 The Company has six branch / liaison offices in various cities of Pakistan. Geographical locations of branch / liaison offices are as follows:

S. NO.	BRANCH OFFICES	ADDRESS
1.	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area, Islamabad.
2.	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road, Lahore.
3.	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road, Faisalabad.
4.	Abbottabad	Room # 1 & 2, 2nd Floor, Al-Zaman Plaza, Near Ayub Teaching Hospital, Main Mansehra Road, Abbottabad.
5.	Stock Exchange branch, Karachi	5th Floor Stock Exchange Building, Karachi.
6.	North Nazimabad	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As J.F. Plaza, Plot No.D-1, Block-D, North Nazimabad, Karachi

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Accounting Convention

These financial statements comprise statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows together with explanatory notes and have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable and lease liability and related right of use asset which are initially measured at the present value of the lease payments that are not paid at the commencement date.

The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

c) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017, requires management the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience including expectation of future events that are believed to be reasonable under the circumstances.

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

Financial instruments-Fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at reporting date.

Useful lives, depreciation/amortization methods, patterns of economic benefits and impairment

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, intangibles and right of use assets with a corresponding effect on the depreciation and amortization charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Revenue from contracts with customers involving sale of goods or services

When recognizing revenue in relation to the sale of goods or services to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods or services rendered to the customer, as this is deemed to be the time that the customer obtains control of the promised goods or services and therefore the benefits of unimpeded access.

Recovery of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Classification of investments

Classification of an investment is made on the basis of intended purpose for holding of such investment. The classification of investments is re-evaluated on regular basis.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

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 are recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

2.3 New or amendments to existing standards / interpretations and forthcoming requirements

a) Amendments to published approved standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

b) Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

c) Standards and amendments to published approved standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financia

Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

d) Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.4 Income tax expense

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Income Tax on brokerage and dividend income is paid at the applicable rates as final tax under presumptive tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits 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 period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the income statement, except where deferred tax arises on the items credited or charged to statement of comprehensive income or statement of changes in equity in which case it is included in other comprehensive income or equity.

2.5 Property and equipment

These are stated at cost less accumulated depreciation and impairments, if any. Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Major renewals and improvements are capitalized while normal replacements, repairs and maintenance are charged to statement of profit or loss.

Depreciation is charged on the rates mentioned in Note 3.

- Vehicles — Straight line method
- All other assets — Reducing balance method

Depreciation on additions and disposals during the year is charged from the month of addition to the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipment. The residual values and useful lives are reviewed at each reporting date and adjusted, if required.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property and equipment are determined by comparing proceeds with the carrying amount. These are taken to the statement of profit or loss currently.

2.6 IFRS 16 "Leases"

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter at the rates mentioned in Note 4. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.7 Intangibles

i) Trading Rights Entitlement Certificates (TREC) - under Revaluation Model

TREC was initially stated at an allocated carrying value out of previously recognized intangible asset (PSX Membership Card) that was presented under revaluation model. Allocation of carrying value had been made as the residual balance of previously recognized intangible asset after deducting the ordinary share of Pakistan Stock Exchange Limited at their face value. Subsequent to initial recognition, TREC is being carried at revalued amount. TREC do not have definite useful life, therefore, it is not being amortized.

Following the application of IAS 38, the Company's accounting policy for surplus on revaluation of intangibles stands amended as follows:

Increases in the carrying amounts arising on revaluation of intangibles are recognized, net of tax, in other comprehensive income and accumulated in surplus on revaluation of intangibles in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

ii) Software – under Cost Model

This intangible asset is recognized initially at cost. Subsequent to initial recognition it is stated at cost less accumulated amortization and impairment loss, if any. Amortization is charged on such rate that the asset is amortized over its useful life using reducing balance method. Amortization is charged from the month of recognition till the month in which such asset is derecognized. These are recorded initially at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses, if any.

iii) PMEX membership card and booths– under Cost Model

PMEX membership card and booths are initially recognized at the carrying value (cost). Such intangible assets with indefinite life are stated at cost less impairment, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is charged to statement of profit or loss. Intangible assets with indefinite useful lives are not amortized but systematically tested for impairment at each reporting date.

2.8 Financial instruments

Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

i) Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iii) De-recognition

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

iv) Offsetting of financial instruments

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

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks in current and saving accounts.

2.10 Dividends

Dividends distribution to the Company's shareholders is recognized as liability at the time of their approval.

2.11 Revenue from contracts with customers

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided.
- Capital gains and losses on sale of marketable securities are included in the profit and loss account in the period in which they arise.
- Profit on saving accounts, profit on exposure deposits and mark up on loan and advances is recognized at effective yield on time proportion basis.
- Unrealized capital gain arising from mark to market of investments classified as 'financial assets at fair value through profit and loss' are included in profit and loss account in the period in which they arise.
- Dividend income is recognized when the right to receive dividend is established.

2.12 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 a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.13 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount. Impairment losses are recognized in statement of profit or loss except in case of revalued intangibles in which case these are first adjusted against related revaluation surplus and remaining loss, if any, are taken to statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If there is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior year except for assets measured under revaluation model Such reversal is recognized in statement of profit or loss except where revaluation surplus was previously reduced in which case such reversal is credited to revaluation surplus.

2.14 Foreign currencies transaction and translation

Transactions in foreign currencies are translated into reporting currency at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences are included in the income currently.

2.15 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

2.16 Loans

These are initially recognized at cost being the fair value of the consideration received together with the associated transaction cost. Subsequently, these are recognized at amortized cost using the effective interest method.

2.17 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

2.18 Off-setting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.19 Employee benefits

The Company operates a recognized provident fund scheme for all its employees who are eligible for benefit. Equal monthly contributions @ 10% of basic salary are made by the Company and its employees.

2.20 Related party transactions

All related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

2.21 Fiduciary assets

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

2.22 Earnings / (loss) per share – basic and diluted

Earnings per share are determined according to IAS-33 (Earnings per share) by dividing net income / loss by the weighted average number of shares. Diluted earnings per share are calculated if there is any potential dilutive effect on the Company's reported net profits or weighted average number of shares.

2.23 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset.

3. PROPERTY AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	3.1	**95,203,371**	72,737,054
Advance against capital expenditure	3.3	**79,852,766**	71,145,842
		175,056,137	143,882,896

3.1

	OWNED						
	Vehicles	**Computers**	**Furniture and fittings**	**Office equipment**	**Electrical installations**	**Telephone equipment**	**Total**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
At 30 June 2019							
Cost	66,518,417	61,253,509	50,290,477	37,713,442	5,519,192	4,611,745	225,906,782
Accumulated depreciation	(50,839,750)	(52,863,968)	(22,562,193)	(18,223,414)	(1,848,278)	(3,120,135)	(149,457,738)
Net book value	15,678,667	8,389,541	27,728,284	19,490,028	3,670,914	1,491,610	76,449,044
Year ended 30 June 2020							
Opening net book value	15,678,667	8,389,541	27,728,284	19,490,028	3,670,914	1,491,610	76,449,044
Additions	2,255,500	1,096,250	5,142,425	1,541,893	1,988,785	326,330	12,351,183
Disposal:							
Cost	-	127,000	-	262,500	-	-	389,500
Accumulated depreciation	-	(90,578)	-	(73,292)	-	-	(163,870)
	-	36,422	-	189,208	-	-	225,630
Depreciation charges	(7,130,354)	(2,687,174)	(3,279,696)	(2,008,716)	(565,250)	(166,353)	(15,837,543)
Closing net book value	10,803,813	6,762,195	29,591,013	18,833,997	5,094,449	1,651,587	72,737,054
At 30 June 2020							
Cost	68,773,917	62,222,759	55,432,902	38,992,835	7,507,977	4,938,075	237,868,465
Accumulated depreciation	(57,970,104)	(55,460,564)	(25,841,889)	(20,158,838)	(2,413,528)	(3,286,488)	(165,131,411)
Net book value	10,803,813	6,762,195	29,591,013	18,833,997	5,094,449	1,651,587	72,737,054
Year ended 30 June 2021							
Opening net book value	**10,803,813**	**6,762,195**	**29,591,013**	**18,833,997**	**5,094,449**	**1,651,587**	**72,737,054**
Additions	**23,443,000**	**13,305,884**	**655,581**	**1,847,569**	**272,199**	**60,800**	**39,585,033**
Transferred from right to use assets:							
Cost	**1,788,000**	-	-	-	-	-	**1,788,000**
Accumulated depreciation	**(1,341,000)**	-	-	-	-	-	**(1,341,000)**
	447,000						**447,000**
Disposals:							
Cost	**5,450,825**	-	-	-	-	-	**5,450,825**
Accumulated depreciation	**(5,033,626)**	-	-	-	-	-	**(5,033,626)**
	417,199	-	-	-	-	-	**417,199**
Depreciation charges	**(6,679,652)**	**(4,765,974)**	**(3,009,035)**	**(1,992,146)**	**(532,128)**	**(169,582)**	**(17,148,517)**
Closing net book value	**27,149,962**	**15,302,105**	**27,237,559**	**18,689,420**	**4,834,520**	**1,542,805**	**94,756,371**
At 30 June 2021							
Cost	**88,554,092**	**75,528,643**	**56,088,483**	**40,840,404**	**7,780,176**	**4,998,875**	**273,790,673**
Accumulated depreciation	**(60,957,130)**	**(60,226,538)**	**(28,850,924)**	**(22,150,984)**	**(2,945,656)**	**(3,456,070)**	**(178,587,302)**
Net book value	**27,596,962**	**15,302,105**	**27,237,559**	**18,689,420**	**4,834,520**	**1,542,805**	**95,203,371**
Rate of depreciation (%)	**20**	**30**	**10**	**10**	**10**	**10**	

3.2 Particulars of disposal of property and equipment are as follows:

Particulars	**Cost** Rupees	**Book value** Rupees	**Sale proceeds** Rupees	**Gain / (loss) on disposal** Rupees	**Mode of Disposal**	**Particulars of Buyer**
Vehicle Honda Civic (BER-700)	2,164,963	-	220,471	220,471	Negotiation	Umer Pervaiz - Employee
Vehicle Toyota Corolla (BEX-050)	1,497,863	-	201,451	201,451	Negotiation	Mohted Hassan Khan - Employee
Vehicle Honda City (BLV-854)	1,788,000	417,200	287,628	(129,572)	Negotiation	Irfan Haider - Employee
	5,450,826	**417,200**	**709,550**	**292,350**		

3.3 This represent advance against purchase of vehicles and the advance paid to Mr. Aqeel Karim Dhedhi - shareholder of the Holding Company against purchase of office premises measuring 12,883 square feet at an agreed price of Rupees 141.713 million. The said property will be transferred to the Company after its clearance from financial institution with which it is mortgaged by the Sponsor. The Company has not paid any rental during the year against possession of such premises in lieu of the above agreement.

4. RIGHT OF USE ASSETS

	Vehicles	Office Premises	Total
	Rupees	Rupees	Rupees
At 30 June 2019			
Cost	34,890,501	-	34,890,501
Accumulated depreciation	(14,570,089)	-	(14,570,089)
Net book value	20,320,412	-	20,320,412
Year ended 30 June 2020			
Opening net book value	20,320,412	-	20,320,412
Right of use assets recognised upon adoption of IFRS 16	-	15,005,602	15,005,602
Adjusted balance at the beginning 01 July 2019	20,320,412	15,005,602	35,326,014
Addition during the year	11,082,800	9,923,289	21,006,089
Depreciation charges	(8,455,807)	(6,308,883)	(14,764,690)
Closing net book value	22,947,405	18,620,008	41,567,413
At 30 June 2020			
Cost	45,973,301	24,928,891	70,902,192
Accumulated depreciation	(23,025,896)	(6,308,883)	(29,334,779)
Net book value	22,947,405	18,620,008	41,567,413
Year ended 30 June 2021			
Opening net book value	**22,947,405**	**18,620,008**	**41,567,413**
Addition During the year	-	-	-
Transfer to property and equipment:			
Cost	**1,788,000**	-	**1,788,000**
Accumulated depreciation	**(1,341,000)**	-	**(1,341,000)**
	447,000	-	**447,000**
Depreciation charges	**(9,164,860)**	**(6,901,961)**	**(16,066,821)**
Reassessment of lease liability	**(829,111)**	-	**(829,111)**
Closing net book value	**12,506,434**	**11,718,047**	**24,224,481**
At 30 June 2021			
Cost	**44,185,301**	**24,928,891**	**69,114,192**
Accumulated depreciation	**(30,849,756)**	**(13,210,844)**	**(44,060,600)**
Reassessment of lease liability	**(829,111)**	-	**(829,111)**
Net book value	**12,506,434**	**11,718,047**	**24,224,481**
Annual rate of depreciation (%)	**20**	**20 - 33.33**	

4.1 The Company's right to use on premises represents office premises obtained under lease arrangements. The principal terms and conditions of these lease arrangements are as follows:

Office Premises	Lessor Name	Lease Start Date	Lease Tenure	Extension Option	Available Years of Extension	Estimated Lease Tenue
Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As J.F.Plaza, Plot No.D-1, Block-D, North Nazimabad, Karachi	Mr. Sheikh Muhammad Jawad	01-Aug-18	5 Years	Not defined	N/A	5 Years
Room # 1 & 2, 2nd Floor, Al-Zaman Plaza, Near Ayub Teaching Hospital, Main Mansehra Road, Abbottabad	Mr. Sarwar Khan	01-Apr-18	5 Years	Not defined	N/A	5 Years
5th Floor, Stock Exchange Building, Karachi	Mr. Aqeel Karim Dedhi	01-Jul-19	3 Years	Not defined	N/A	3 Years
Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area, Islamabad	AKD Group Holdings (Private) Limited (Formerly Aqeel Karim Dedhi Securites (Private) Limited)	01-Jul-19	3 Years	Not defined	N/A	3 Years
Office 3, 1st Floor, Mezan Executive Tower, Cargo Side Liaquat Road, Faisalabad	Mr. Akhter Hanif	01-Jan-19	5 Years	Yes	2	5 Years
Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road, Lahore	AKD Analytics (Private) Limited	01-Jul-19	3 Years	Not defined	N/A	3 Years

5.	INTANGIBLES	Note	2021 Rupees	2020 Rupees
	Computer software	5.1	**3,058,798**	4,078,398
	Trading Rights Entitlement Certificate	5.2	**2,500,000**	2,500,000
	Membership card and booth-Pakistan Mercantile Exchange Limited		**7,750,000**	7,750,000
			13,308,798	14,328,398

5.1 Computer Software

	2021 Rupees	2020 Rupees
Net carrying value		
Opening net value	**4,078,398**	5,437,864
Addition / disposal during the year	**-**	-
Amortization charge for the year	**(1,019,600)**	(1,359,466)
Closing net book value	**3,058,798**	4,078,398
Gross carrying amount		
Cost	**14,174,587**	14,174,587
Accumulated amortization	**(11,115,789)**	(10,096,189)
Net book value	**3,058,798**	4,078,398
Amortization rate	**25%**	25%

5.2 This Trading Rights Entitlement Certificate (TREC) has been marked under lien with Pakistan Stock Exchange Limited (PSX) against base minimum capital and carried at fair value in these financial statements. There is no active market for determination of value of TREC. TREC has been valued at notional value of Rupees 2.5 million notified in PSX Rule Book, Schedule I (Regulation 19.2) for the purposes of BMC requirement. Accordingly, it has been carried at notional value in these financial statements.

6.	LONG TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
	Investment in subsidiary - Quoted	6.1	**2,074,460,750**	-
	Investment in other entity - Unquoted	6.2	**4,166,667**	7,500,000
			2,078,627,417	7,500,000

6.1 Investment in subsidiary - At fair value through other comprehensive income (FVTOCI)

	2021 Rupees	2020 Rupees
Cost of investment	**663,210,500**	-
Unrealized gain		
Balance as at 01 July	**-**	-
Unrealized gain for the year	**1,411,250,250**	-
	1,411,250,250	
	2,074,460,750	-

6.1.1 This represents strategic investment in 77,117,500 ordinary shares (being 77.12% of the total issued and paid up ordinary shares) of BIPL Securities Limited (BIPLS) acquired at Rupees 8.60 per share during the year due to which BIPLS gained the status of a subsidiary of the Company. At the reporting date the fair market value of shares is Rupees 26.90 per share. This investment is stated at fair value through other comprehensive income. The Company itself is a wholly owned subsidiary of AKD Group Holdings (Private) Limited (formerly Aqeel Karim Dhedhi Securities (Private) Limited), the ultimate holding company. The ultimate holding company is responsible to produce the consolidated financial statements of the group as a whole under International Financial Reporting Standard 10 "Consolidated Financial Statements". Therefore, separate consolidated financial statements are not being prepared.

6.2 Investment in other entity - At amortized cost

	2021 Rupees	2020 Rupees
Kashaf Foundation PPTFC	**7,500,000**	10,000,000
Current portion	**(3,333,333)**	(2,500,000)
	4,166,667	7,500,000

6.2.1 In prior year, the Company purchased 10 units of privately placed term finance certificates (PPTFCs) with the face value of Rupees 1 million each. These certificates carry profit equal to 3 month KIBOR plus 2.25% receivable quarterly in arrears with a grace period of one year and will mature fully in December 2023. The Company holds these certificates in the business model with the objective to collect cash flows (both principal and interest) over the term of these certificates till maturity.

7. LONG TERM DEPOSITS	Note	2021 Rupees	2020 Rupees
Trading deposits placed with:			
Central Depository Company of Pakistan Limited		**275,000**	275,000
National Clearing Company of Pakistan Limited		**2,237,591**	2,237,591
Pakistan Mercantile Exchange Limited		**4,497,320**	5,732,466
Others		**6,206,347**	4,853,201
		13,216,258	13,098,258

8. SHORT TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
At fair value through other comprehensive income - Quoted			
- equity securities		-	15,869,235
At fair value through profit or loss - Quoted	8.1		
- equity securities	8.1.2	**3,175,486,157**	679,000,475
- Units of mutual fund		**173,431**	120,274
		3,175,659,588	679,120,749
At amortized cost			
- Current portion of long term investment	6.2	**3,333,333**	2,500,000
		3,178,992,921	697,489,984

8.1 Investment At fair value through profit or loss - Quoted

	2021	2020
Cost of investment	**2,702,220,177**	983,753,447
Unrealized gain / (loss)		
Balance as at 01 July	**(304,632,698)**	(241,098,575)
Unrealized gain for the year	**778,072,109**	(63,534,123)
	473,439,411	(304,632,698)
	3,175,659,588	679,120,749

8.1.1 This includes shares pledged with different institutions as under:

Pledgee	Security Name	No. of Shares Pledged	Fair Value of Pledged Shares	Reason
Al Baraka Bank (Pakistan) Limited	Javedan Corporation Limited	7,500,000	316,500,000	Against finance facility obtained during the year disclosed in Note 16.
Allied Bank Limited	Javedan Corporation Limited	4,255,500	179,582,100	Against personal loan obtained by the director of the Company
	Faysal Bank Limited	2,800,000	47,516,000	
	TRG Pakistan Limited	1,275,500	212,153,915	
	Habib Bank Limited	712,500	87,188,625	
	Oil & Gas Development Company Limited	300,000	28,509,000	
	United Bank Limited	80,000	9,776,000	
National Clearing Company of Pakistan Limited	TRG Pakistan Limited	5,700,000	948,081,000	Against KSE Exposures to National Clearing Company Pakistan Limited respectively.
	TRG Pakistan Limited	1,524,500	253,570,085	
	National Bank Of Pakistan	500,000	18,285,000	
	United Bank Limited	344,000	42,036,800	
Pakistan Stock Exchange Limited	Pakistan Stock Exchange Limited	1,206,000	26,905,860	Against base minimum capital requirement in addition to TREC certificate disclosed in Note 5.2.

8.1.2 This includes investment in 57,290 (2020: 57,290) ordinary shares of Rupees 10 each in AKD Hospitality Limited (Formerly AKD Capital Limited) - a related party having fair value of Rupees 20,910,850 (2020: Rupees 6,009,148) at reporting date.

9. TRADE DEBTS

	Note	2021 Rupees	2020 Rupees
Related to brokerage business:			
Considered good:			
- secured	9.1	**48,725,164**	51,415,654
- unsecured	9.2	**4,775,173**	14,799,946
		53,500,337	66,215,600
Considered doubtful - unsecured		**202,292,992**	167,235,526
		255,793,329	233,451,126
Related to consultancy services business:			
Unsecured			
Considered good		**11,999,755**	-
Considered doubtful		**9,766,310**	9,766,310
	9.3	**21,766,065**	9,766,310
		277,559,394	243,217,436
Allowance for expected credit losses	9.4	**(212,059,302)**	(177,001,836)
		65,500,092	66,215,600

9.1 These represents trade debts against which the Company holds securities as collaterals having fair value of Rupees 4,145.114 million (2020: Rupees 2,158.695 million).

9.2 These represents trade debts against which no clients' securities are available with the Company. However, these include high net worth clients with no past history of default and represents receivable against recent trading.

9.3 This includes related party balances of Rupees 1.146 million (2020: Rupees 0.302 million) from DVCOM Limited, Rupees 0.415 million (2020: Nil) from Oil & gas Investments limited, Rupees 0.327 million (2020: Rupees 0.327) from Post Amazar (Private) Limited, Rupees 0.101 million (2020: Rupees 0.101 million) from Gwadar Cement Limited and Rupees 0.148 million (2020: Rupees 0.148 million) on account of provision of consultancy services.

9.4 Allowance for expected credit losses

	2021	2020
Opening balance	**177,001,836**	129,101,111
Charge during the year		
- brokerage business	**35,057,466**	47,190,067
- consultancy services business	**-**	710,658
	35,057,466	47,900,725
	212,059,302	177,001,836

10. LOANS AND ADVANCES

	Note	2021	2020
Secured			
Advance against purchase of shares through book building		**37,000,000**	-
Loans to employees	10.1	**4,832,315**	2,604,643
Advances to employees:			
- against commission		**16,338,113**	2,808,761
- against expenses		**10,337,842**	5,420,626
	10.2	**26,675,955**	8,229,387
Short term loan to Holding company	10.3	**13,082,116**	409,766,272
Short term loan to Creek Developers (Private) Limited	10.4	**9,998,121**	28,200,482
		91,588,507	448,800,784

10.1 These represent interest free loans to executives and staff for the purchase of vehicles and for other purposes in accordance with the terms of employment repayable over a year through deduction from salaries. These loans are secured against balance of respective employees in Staff Provident Fund.

10.2 These advances are secured against commission payable and balance of respective employees in Staff Provident Fund.

10.3 This represents loan provided to the holding company, receivable on demand under the authority of a special resolution passed in extra ordinary general meeting of the Company held on 28 November 2015 whereby it was resolved that the Company may lend its surplus funds to AKD Group Holdings (Private) Limited - (formerly Aqeel Karim Dhedhi Securities Private Limited) {the Holding Company}. Mark-up on outstanding balance of such loan is 1YK+3% (2020: 6MK+1%) per annum receivable six monthly in arrears. As at 30 June 2021, this balance is receivable from holding company net tax payable for the under group taxation.

10.4 This represents loan provided to Creek Developers Private Limited (a related party) on request and is receivable on demand. This carries Mark-up on outstanding balance of 1YK+3% (2020: 6MK+1%) per annum payable six monthly in arrears.

11. DEPOSITS AND PREPAYMENTS

	Note	2021 Rupees	2020 Rupees
Deposit with PSX against Base Minimum Capital (BMC)	11.1	**21,400,000**	21,400,000
Deposits with:			
PSX against exposure	11 2	**3,176,443,785**	1,370,293,581
NCCPL against exposure	11.2	**54,731,737**	42,434,382
Prepayments		**9,802,800**	5,066,932
		3,262,378,322	1,439,194,895

11.1 This represents deposit with Pakistan Stock Exchange(PSX) against Base Minimum Capital including TRE Certificate (Note 5.2) and short term investment in shares of PSX (Note 8.1.1).

11.2 This represents deposits held at the year end against exposure arising out of the trading in securities in accordance with the regulations of Pakistan Stock Exchange Limited and National Clearing Company Pakistan Limited.

12. OTHER RECEIVABLES

	Note	2021 Rupees	2020 Rupees
Considered good		**3,949,697**	4,807,679
Considered doubtful		**9,190,642**	8,742,767
	12.1	**13,140,339**	13,550,446
Allowance for expected credit losses	12.2	**(9,190,642)**	(8,742,767)
		3,949,697	4,807,679

12.1 This includes receivables of Rupees 7.350 million (2020: Rupees 7.210 million) from related parties.

12.2 Allowance for expected credit losses

	2021 Rupees	2020 Rupees
Opening balance	**8,742,767**	-
Charge for the year - net	**447,875**	8,742,767
Closing balance	**9,190,642**	8,742,767

13. CASH AND BANK BALANCES

	Note	2021 Rupees	2020 Rupees
Cash in hand		**699,332**	349,980
Cash at banks - current accounts		**4,232,566**	6,977,239
- saving accounts		**613,268,347**	34,692,573
	13.1	**617,500,913**	41,669,812
		618,200,245	42,019,792

13.1 The bank balances includes customer bank balances held in designated bank accounts amounting to Rupees 539.275 million (2020: 34.619 million).

14. ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL

2021 (No. of shares)	2020		2021 Rupees	2020 Rupees
99,900,000	99,900,000	Ordinary shares of Rupees 10 each, fully paid in cash.	**999,000,000**	999,000,000
76,869,950	76,869,950	Further issue of ordinary shares of Rupees 10 each, during the year, fully paid in cash.	**768,699,500**	768,699,500
176,769,950	176,769,950		**1,767,699,500**	1,767,699,500

14.1 176,766,950 (2020: 176,766,950) ordinary shares are held by AKD Group Holdings (Private) Limited - (formerly Aqeel Karim Dhedhi Securities Private Limited) {the Holding Company} directly and remaining 3,000 (2020: 3,000) ordinary shares are held by nominee directors, the beneficial ownership of which rest with the Holding Company.

15.	LEASE LIABILITY	Note	2021 Rupees	2020 Rupees
	Balance as at 01 July		**45,277,662**	15,942,239
	Initial recognition on adoption of IFRS 16		-	19,578,273
	Addition during the year		-	21,006,089
	Finance cost		**4,088,910**	5,192,472
	Reassessment of lease liability		**(829,111)**	-
	Less: payments made during the year		**(21,712,175)**	(16,441,411)
			26,825,286	45,277,662
	Current portion shown under current Liabilities		**14,090,467**	(17,826,216)
			12,734,819	27,451,446

15.1 This represents present value of multiple lease commitments entered into with financial institutions and individuals for vehicles and office premises having a lease term ranging between 3 to 5 years. When measuring lease liability for office premises , the Company discounted lease payments using an estimated incremental borrowing rate of 10%. However, monthly lease rentals of vehicles included finance charge ranging from 9.41% - 16.28% per annum (2020: 9.46% - 14.53%) which is used as discounting factor for vehicles.

Taxes, repairs and insurance costs are to be borne by the Company. In case of early termination of lease of vehicles, the Company shall pay entire amount of rentals for unexpired period of respective lease agreements.

15.2 The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Minimum lease commitment	Future finance cost	Future value of lease liability	
			2021	2020
	Rupees	Rupees	Rupees	Rupees
Not later than one year	**16,354,302**	**2,263,835**	**14,090,467**	17,826,216
Later than one year but not later than five years	**13,783,975**	**1,049,156**	**12,734,819**	27,451,446
	30,138,277	**3,312,991**	**26,825,286**	45,277,662

16.	LONG TERM FINANCING	Note	2021	2020
	Diminishing musharakah facility - Al-Baraka Bank Limited	16.1	**700,000,000**	-

16.1 During the year the Company availed a long term diminisning musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 700 million under mark-up arrangement at the rate of 3 months KIBOR + 2% to be charged and paid on quarterly basis. The principal is repayable quarterly in 2 years including grace period of 1 year. This loan is secured against the equitable mortgage of properties of the sponsor and pledge of shares as disclosed in Note 8.1.1 and personal guarantees of the sponsor and director.

17.	TRADE AND OTHER PAYABLES	Note	2021	2020
	Clients' deposits against trading		**2,682,939,710**	1,441,126,418
	Other payables:			
	Creditors		**52,832,916**	44,748,103
	Commission payable		**82,784,001**	5,646,841
	Taxes payables		**60,529,287**	14,629,952
	Capital gain tax of clients payable to NCCPL		**133,450,248**	-
	Accrued expenses		**22,966,605**	18,770,501
	Payable to Staff Provident Fund	17.1	**12,097,324**	5,270,866
			364,660,381	89,066,263
			3,047,600,091	1,530,192,681

17.1	Payable to Staff Provident Fund	Note	2021	2020
	Opening balance		**5,270,866**	8,306,106
	Contributions for the year		**24,359,156**	20,189,188
	Provident Fund loan deduction from salaries		**8,034,191**	4,133,532
	Markup on overdue balance	17.1.1	**202,201**	326,076
			37,866,414	32,954,902
	Less: Payments during the year		**(25,769,090)**	(27,684,036)
			12,097,324	5,270,866

17.1.1 Overdue balance of payable to staff provident fund carries markup at the rate 6MK+0.5% per annum.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

(a) The Securities and Exchange Commission of Pakistan served a show cause notice dated 25 February 2016 wherein several alleged contravention of the laws of SECP are leveled against the Company. The Company filed suit against the show cause in the Honourable High Court of Sindh. The Honourable High Court of Sindh via order dated 03 March 2016 directed SECP to refrain from taking any coercive action against the Company in relation to the instant matter. No further progress on the matter has been made during the year. The management and legal counsel of the Company are of the view that ultimate outcome will be in our favour.

(b) Burj Bank Limited (previously, Dawood Islamic Bank Limited) filed a Suit against the number of brokers including the Company in Sindh High Court on the termination of "Underwriting Agreement" in the year 2008 and prayed to declare the act of the Company as unlawful / unauthorized, to pass judgment for damages to the tune of Rupees 200 million with applicable mark-up at the State Bank Rate, to recover the cost of the Suit and for any other relief. The management and the legal counsel of the Company are confident that the suit will be decided in the favor of the Company; therefore, no provision has been made in these financial statements.

(c) Order in original No. 23/34/2015 dated 27 June 2015 was passed by the Deputy Commissioner Sindh Revenue Board and demand of Rupees 90,542,868 as sales tax for the tax years 2010 to 2013 has been raised. The Company along with other stock brokers has instituted a Writ Petition before the Honourable Sindh High Court, Karachi, which has been pleased to direct the respondents to restrain from initiating any coercive action against the petitioners (including the Company) on the basis of impugned order till the next date of hearing.

(d) Return of Income for the tax year 2012 has been selected for tax audit of the Company's income tax affairs under section 177 of the Ordinance by the learned Commissioner Inland Revenue, Zone - 1, Regional Tax Office, Karachi. The Company has filed a Writ Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973 challenging the vires of selection of case for tax audit of income tax affairs of the company under aforesaid section vide C.P No. D-2867/2014 dated May 27,2014 which is subjudice before the Honourable Sindh High Court, Karachi. However, the amended assessment order has been passed by the learned Deputy Commissioner Inland Revenue, Audit Unit - 01, Zone - 1, Corporate Regional Tax Office, Karachi vide his order bearing D/C No.15/15 dated April 5, 2017. The Company being dissatisfied of the aforesaid order has instituted an appeal before the Hounourable Commissioner Inland Revenue (Appeals - III), Regional Tax Office, Karachi, which is subjudice.

(e) Return of Income for the tax year 2015 has been selected for tax audit of the Company's income tax affairs under section 177 of the Ordinance. In this regard, the Company has complied with the notices received from the department from time to time and the proceedings are pending. However, at this stage, as per the tax advisor of the Company, it is not possible to assess the outcome of the aforesaid proceedings.

(f) Securities & Exchange Commission of Pakistan (SECP) has imposed a penalty of Rs. 875,000 on the Company for contravening the provisions of Anti Money Laundering Regulations & Licensing Regulations vide its order dated 16 September 2020. The management of the Company has filed an appeal against the order registered as Appeal No. 124 of 2020 in the Appellate Tribunal of SECP. The hearing of the tribunal is yet to be started but the management is confident that the ultimate outcome will be in favour of the Company.

18.2 Commitments

Capital and other commitments of the Company as at reporting date other than those disclosed in note 15.2 to the financial statements are as follows:

	Note	2021 Rupees	2020 Rupees
Underwriting commitment		**4,571,356,959**	-
Against capital expenditure		**73,964,634**	**70,567,158**

19. OPERATING REVENUE

	Note	2021 Rupees	2020 Rupees
Brokerage income		**1,081,172,613**	434,261,536
Consultancy income		**435,739,525**	71,317,288
Underwriting commission		**47,549,436**	18,910,684
Dividend income		**60,507,656**	553,674
	19.1	**1,624,969,230**	525,043,182

19.1 Sindh Sales tax @ 13% charged during the year on brokerage, Consultancy and Underwriting income amounted to Rupees 200.147 million.

20. CAPITAL GAIN ON SALE OF INVESTMENTS - NET

This represents capital Gain / loss on sale of "investments at fair value through profit or loss" which may differ from the capital gain to be offered for income tax due to the fact that listed securities are re-measured at fair value at the end of reporting period. Accordingly, this capital gain is calculated by comparing the revalued values of investments with actual sale proceeds which results into a different capital gain from the gain to be offered for income tax.

21. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and benefits	21.1 & 27	**270,182,061**	198,747,879
Commission expense		**163,417,117**	31,419,676
Repair and maintenance		**5,200,882**	2,630,742
Telephone and bandwidth charges		**15,669,131**	13,513,459
Legal and professional		**5,037,540**	375,000
CDC and clearing house charges		**86,414,098**	39,139,575
Fuel, power and utilities		**5,301,223**	4,525,033
Travelling and conveyance		**1,551,590**	3,720,369
Auditors' remuneration	21.2	**2,680,000**	2,435,000
Entertainment		**12,311,132**	5,065,417
Fee and subscription		**9,070,315**	7,575,420
Rent, rates and taxes		**2,664,142**	875,098
Office expenses		**4,926,420**	3,379,174
Loss on disposal of property and equipment		**-**	52,819
Advertisement		**2,580,633**	729,067
Postage and courier		**577,186**	466,306
Printing and stationery		**1,519,177**	1,565,758
Depreciation	3 & 4	**33,215,338**	30,602,233
Allowance for expected credit losses		**35,505,341**	56,643,492
Amortization - software	5.1	**1,019,600**	1,359,466
Vehicle running expenses		**7,068,707**	6,933,277
Insurance		**3,074,999**	2,145,970
Donation	21.3	**133,586,560**	2,700,000
Computer expenses		**6,778,376**	3,220,464
Exchange losses		**136,337**	-
Miscellaneous expense		**8,852,290**	3,883,614
		818,340,195	423,704,308

21.1 This includes Rupees 12.179 million (2020: 10.095 million) Company's contribution to staff provident fund.

21.2 Auditors' remuneration

	2021 Rupees	2020 Rupees
Audit fee	**1,000,000**	850,000
Audit fee of staff provident fund	**175,000**	175,000
Other certifications	**1,305,000**	1,200,000
Out of pocket expenses	**200,000**	210,000
	2,680,000	2,435,000

21.3 None of the directors or their spouses had any interest in donee. The particulars of the donees are as under:

	2021 Rupees	2020 Rupees
Namal Education Foundation	**27,500,000**	-
The Indus Hospital	**50,000,000**	-
Shoukat Khanum Memorial Trust	**50,000,000**	-
Habib University Foundation	**1,000,000**	-
Nust Trust Fund	**5,000,000**	-
Utility Store Corporation	**-**	1,500,000
Hasmanis Medical and Welfare Foundation	**-**	1,000,000
Others	**86,560**	200,000
	133,586,560	2,700,000

22.	OTHER INCOME	Note	2021 Rupees	2020 Rupees
	From financial assets:			
	Profit on deposits		**118,822,926**	83,931,120
	Mark up on loan to related parties		**59,968,432**	93,010,658
	Profit on PPTFCs		**898,884**	808,299
	Share transfer fee		**45,956,337**	24,283,869
	Others		**2,636,492**	5,571,613
			228,283,071	207,605,559
	From non financial assets:			
	Gain on sale of operating fixed assets		**292,350**	-
			228,575,421	207,605,559

23. FINANCE COST

	2021 Rupees	2020 Rupees
Mark up on overdue balance of provident fund	**202,201**	326,076
Charges on finance lease liabilities	**4,088,910**	5,192,472
Mark up on long term financing	**1,088,548**	-
Bank charges	**197,359**	242,343
	5,577,018	5,760,891

24. TAXATION

Current tax

In terms of the provision of Section 59AA, the Holding Company – "AKD Group Holdings Private Limited (formerly Aqeel Karim Dhedhi Securities (Private) Limited)" and the Company – "AKD Securities Limited" (here-in-after collectively be referred as "Group") have irrevocably opted to be taxed as one fiscal unit with effect from Tax Year 2012. During the preceding years "AKD Investment Management Limited" and "DVCOM Limited" have been added in the group to be taxed as one fiscal unit. As per Section 59AA, all four Companies have been registered as "Group" under Group Tax Regulations, 2008 issued by the Securities & Exchange Commission of Pakistan vide its designation letter dated 08 May 2017.

Accordingly, income tax return of the Group for the tax year is prepared as one fiscal unit on the basis of consolidated financial statements" under the name of the holding company and the tax liability is computed as if the business of the subsidiary companies were the business of the holding company.

In order to give effect the above applicable laws, all the advance income tax / income tax deducted at source of the Company during the tax year is transferred / debited to the Holding Company with effect from Tax Year 2012. Benefit of tax loss of the either company availed by the other is accounted for after filing the income tax return for the relevant tax year.

As per applicable laws, the Company furnishes its returns of income in its tax jurisdiction along with a copy of application for group taxation for record and future adjustments and intimating non-taxability of the returned income. As such, income tax returns of the group up to Tax Year 2020 have been filed accordingly. Any liability or refund whichever may be the case will be credited to the Holding Company at the time of filing tax return for the

Deferred tax

Deferred tax asset of Rupees 63.149 million (2020: Rupees 52.63 million) on items relating to profit and loss has been worked out which has not been accounted for in these financial statements due to uncertainties regarding future taxable profits of group under group taxation.

25. EARNINGS PER SHARE

BASIC		2021	2020
Profit after taxation	**(Rupees)**	**3,192,255,855**	248,845,020
Weighted average number of ordinary shares	**(Numbers)**	**176,769,950**	176,769,950
Earnings per share - Basic	**(Rupees)**	**18.06**	1.41

Diluted

As at the reporting date, there is no outstanding instruments with the potentials to covert on ordinary share capital of the Company resulting in dilution of the basic earnings per share.

26. RELATED PARTIES TRANSACTION AND BALANCES

26.1 Related parties comprise of group companies (the holding company and fellow subsidiaries), key management personnel of the Company and directors and their close family members, major shareholders of the Company, employees and staff provident fund. Transaction with related parties are on arm's length basis (except for where stated else wise). Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the chief executive, directors and executives is disclosed in note 27 to the financial statements. Transactions during the year and balances with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	Relationship with the Company	Nature of transactions / balances	2021 Rupees	2020 Rupees
i.	Holding Company	Provision for taxation - net of advance tax	**(585,576,803)**	(106,241,095)
		Mark up accrued on loan during the year	**57,988,875**	89,760,633
		Disbursement / adjustments during the year	**2,234,805,414**	1,475,847,035
		Receipts / adjustment during the year	**(2,045,912,767)**	(1,200,304,945)
		Balance (payable) / receivable at year end	**71,070,991**	409,766,272
ii.	Associated Companies	Mark up accrued on loan during the year	**1,979,557**	3,250,025
		Disbursement / adjustments during the year	**50,272,413**	51,948,572
		Receipts / adjustment during the year	**(76,931,832)**	(46,022,734)
		Balance receivable at year end	**4,009,658**	28,689,520
iii.	Other Related Parties	Brokerage earned	**43,052,143**	8,398,891
		Balance receivable at year end	**-**	-
		Balance payable at year end	**111,454,513**	1,036,286

26.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place:

	Name	Basis of Association	Aggregate % of Shareholding
i.	AKD Group Holdings (Private) Limited - (formerly Aqeel Karim Dhedhi Securities Private Limited)	Holding Company	99.9983%
ii.	AKD Investment Management Limited	Associate	-
iii.	Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund	Associate	-
iv.	Oil & Gas investments Limited	Associate	-
v.	AKD Capital Limited	Associate	-
vi.	DVCOM Limited	Associate	-
vii.	Post Amazar (Private) Limited	Associate	-
viii.	TMT Ventures Limited	Associate	-
vii.	AKD RIETS Management Company Limited	Associate	-
viii.	AKD Commodities (Private) Limited	Associate	-
ix.	Creek Developers (Private) Limited	Associate	-
xii.	AKD Farms (Private) Limited	Associate	-
x.	AKD Analytics (Private) Limited	Associate	-
xiv.	AKD-ICA (Private) Limited	Associate	-
xv.	Transgas Limited	Associate	-
xvi.	Mr. Salman Wahid Balaghamwala	Other Related	-
xi.	Mr. Aqeel Karim Dhedhi	Other Related	-
xviii.	Mr. Tariq Adam Ghumra	Other Related	-
xii.	Ms. Anum Dhedhi	Other Related	-
xiii.	Ms. Ayesha Dhedhi	Other Related	-
xxi	Mr. Junaid Balagham Wala	Other Related	-
xiv.	Mr. Muhammad Farid Alam	Chief Executive	0.0003%
xv.	Ms. Sadaf Farid	Other Related	-
xxiv	Mr. Aqeel Karim Dhedhi	Other Related	-
xvi.	Mr. Tariq Adam Ghumra	Other Related	0.0003%
xvii.	Mr. Abdul Rauf Kasuri	Other Related	0.0003%
xviii.	Ms. Hina Junaid	Other Related	0.0008%

27. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2021			2020		
	Chief executive officer	Director	Executives	Chief executive officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	**5,273,070**	**15,295,780**	**55,462,479**	4,363,920	12,330,573	41,373,855
Commission	**36,476,631**	**5,931,397**	**77,760,223**	4,093,239	611,708	25,896,745
House rent allowance	**2,372,884**	**6,883,106**	**24,958,133**	.,963,764	5,548,756	18,618,247
Contribution to provident fund	**527,312**	**1,529,590**	**5,546,268**	436,392	1,233,066	4,137,406
Utilities	**527,312**	**1,529,590**	**5,546,268**	436,392	1,233,066	4,137,406
Medical	**527,312**	**1,529,590**	**5,546,268**	436,392	1,233,066	4,137,406
	45,704,521	**32,699,053**	**174,819,639**	11,730,099	22,190,235	98,301,065
Number of persons	**1**	**2**	**24**	1	2	18

27.1 Chief executive officer, directors and certain executives of the Company are provided Company maintained vehicles along with fully paid mobile phone facility.

28. PROVIDENT FUND RELATED DICLOSURE

The Company operates a provident fund (the Fund) for its permanent employees. The following information is based on un-audited financial statements of the Fund for the year ended 30 June 2021:

	2021	2020
	Rupees	Rupees
Size of the fund - Total assets	**390,244,522**	132,927,309
Cost of investments	**119,460,721**	13,489,113
Percentage of investments made	**96%**	86%
Fair value of investments	**372,896,334**	114,796,652

28.1 The break-up cost of investments is as follows:

	2021	2020	2021	2020
	Percentage	Percentage	Rupees	Rupees
Deposits	**13%**	18%	**50,684,984**	23,641,074
Term finance certificates	**1%**	4.00%	**3,750,000**	5,000,000
Mutual funds	**16%**	18%	**62,234,425**	23,695,554
Listed securities	**70%**	61%	**273,575,112**	80,590,681
	100%	100%	**390,244,521**	132,927,309

28.2 The above investment / placement of funds has not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. These investments / placements shall be regularized in due course.

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks; market risks (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 financial performance. Overall, risk arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

a. Market risk

Market risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market interest rates or the market price of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks; currency risk, interest rate risk and other price risk.

i) 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 believes that it is not exposed major foreign exchange risk as amount exposed to foreign exchange risk is Rupees 2.161 million (2020: 2.304 million) against balance in bank account.

ii) 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 instrument traded in the market. The Company is not exposed to other price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Company's profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on other comprehensive income before taxation		Impact on profit / loss before taxation	
	2021 Rupees	**2020 Rupees**	**2021 Rupees**	**2020 Rupees**
KSE 100 (5% increase)	**103,723,038**	793,462	**158,782,979**	34,749,499
KSE 100 (5% decrease)	**(103,723,038)**	(793,462)	**(158,782,979)**	(34,749,499)

iii) Interest rate risk

This 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 one long-term interest-bearing asset. The Company's interest rate risk arises from long term financing and bank deposits. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were:

	2021 Rupees	**2020 Rupees**
Financial assets - floating rate		
Long term investment	**7,500,000**	10,000,000
Cash at banks - saving accounts	**613,268,347**	34,692,573
Short term loan to Holding company	**13,082,116**	409,766,272
Short term loan to Creek Developers (Private) Limited	**9,998,121**	28,200,482
Financial liabilities - floating rate		
Liabilities against assets subject to finance lease	**(26,825,286)**	(45,277,662)
Long term financing	**(700,000,000)**	-
	(82,976,702)	437,381,665

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees (0.836) million (2020: Rupees 4.374 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of financial liabilities outstanding at reporting dates were outstanding for the whole year.

b. Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021		2020	
	Exposure	Collateral held (Fair value)	Exposure	Collateral held (Fair value)
	Rupees	Rupees	Rupees	Rupees
Investments	**5,257,620,338**	-	704,989,984	-
Long term deposits	**13,216,258**	-	84,244,100	-
Trade debts	**65,500,092**	**48,725,164**	66,215,600	51,415,654
Loans and advances	**64,912,552**	-	440,571,397	-
Deposits	**3,252,575,522**	-	1,434,127,963	-
Other receivables	**3,949,697**	-	4,807,679	-
Accrued mark up	**63,837,663**	-	53,071,800	-
Bank balances	**617,500,913**	-	41,669,812	-
	9,339,113,035	**48,725,164**	2,829,698,335	51,415,654

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

Banks Ratings	2021 Rupees	2020 Rupees
Short term ratings		
A1+	**12,077,686**	11,946,769
A1	**309,045,021**	10,716,893
A-1+	**296,185,605**	18,813,550
A-1	**11,401**	11,401
Unrated	**181,200**	181,200
	617,500,913	41,669,813
Long term ratings		
AAA	**62,886,880**	28,548,839
AA+	**5,138,003**	682,876
A+	**133,025,842**	10,055,171
AA-	**30,027**	30,027
AA	**240,208,381**	1,498,577
A	**176,030,580**	673,123
Unrated	**181,200**	181,200
	617,500,913	41,669,813

The credit quality of investment of the Company in investee companies can be assessed with reference to external credit ratings as follows:

Investments Ratings		
A+	**132,851,457**	-
AA	**93,067,930**	-
AA+	**23,872,670**	-
A	-	10,000,000
A1	-	269,696,945
A-	**80,085,590**	1,634,175
AAA	**176,349,625**	-
A-2	-	19,646
A-1+	-	6,206,354
3-Star	-	21,510
Unrated	**4,751,393,066**	417,411,354
	5,257,620,338	704,989,984

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management do not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

c. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As at 30 June 2021 the Company has cash and bank balance of Rupees 618.200 million (2020 Rupees 42.020 million) and liquid deposits and investments of Rupees 8,560.375 million.

The Company manages liquidity risk by maintaining sufficient cash at bank and exposure deposits and the availability of funding through an adequate amount of committed credit facilities. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due.

Contractual maturities of financial liabilities as at 30 June 2021

	Long term financing	Liabilities against right of use assets	Trade and other payables
		Rupees	Rupees
Carrying amount	**700,000,000**	**26,825,286**	**2,841,523,232**
Contractual cash flows:			
0 - 1 year	**417,308,548**	**16,354,302**	**2,841,523,232**
1 - 3 years	**415,131,452**	**13,783,975**	**-**
3 - 5 years	**-**	**-**	**-**
	832,440,000	**30,138,277**	**2,841,523,232**

Contractual maturities of financial liabilities as at 30 June 2020

	Liabilities against right of use assets	Trade and other payables
	Rupees	Rupees
Carrying amount	45,277,662	1,510,291,863
Contractual cash flows:		
0 - 1 year	22,374,578	1,510,291,863
1 - 3 years	43,167,846	-
3 - 5 years	-	-
	65,542,424	1,510,291,863

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June 2021. The rates of interest / mark up have been disclosed in respective notes in these financial statements.

d. Recognized fair value measurements - Financial assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 30 June 2021	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Financial assets				
Investment at fair value through profit or loss	**3,175,659,588**	**-**	**-**	**3,175,659,588**
Investment at fair value through other comprehensive income	**2,074,460,750**	**-**	**-**	**2,074,460,750**
	5,250,120,338	**-**	**-**	**5,250,120,338**
As at 30 June 2020				
Financial assets				
Investment at fair value through profit or loss	679,120,749	-	-	679,120,749
Investment at fair value through other comprehensive income	15,869,235	-	-	15,869,235
	694,989,984	-	-	694,989,984

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

level 3: If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3.The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

(ii) Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices.

e. Recognized fair value measurements - Non-Financial Assets

Fair value hierarchy

Judgments and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

	Level 1	Level 2	Level 3	Total
As at 30 June 2021	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Trading Rights Entitlement Certificate	-	**2,500,000**	-	**2,500,000**
As at 30 June 2020				
Trading Rights Entitlement Certificate	-	2,500,000	-	2,500,000

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

Valuation techniques used to determine level 2 fair values

The Company obtains valuation (notional value) for its Trading Right Entitlement Certificate (TREC) at each reporting period. At the end of each reporting period, the management updates the assessment of the fair value of TREC, taking into account the most recent valuation (notional value) provided by the Pakistan Stock Exchange.

The Company obtains valuation (notional value) for its Membership card and both-Pakistan Mercantile Exchange Limited at reporting period. At the end of reporting period, the management has updated the assessment of the fair value of Membership card and booth, taking into account the most recent valuation (notional value) provided by the Pakistan Mercantile Exchange Limited.

f. Financial instruments by categories

As at 30 June 2021 **Financial assets as per statement of financial position**	**Assets at amortized cost**	**Assets at fair value through profit or loss**	**Assets at Fair value through other comprehensive income**	**Total**
	Rupees	**Rupees**	**Rupees**	**Rupees**
Long term investment	**7,500,000**	-	**2,074,460,750**	**2,081,960,750**
Long term deposits	**13,216,258**	-	-	**13,216,258**
Short term investments	-	**3,175,659,588**	-	**3,175,659,588**
Trade debts	**65,500,092**	-	-	**65,500,092**
Loans and advances	**64,912,552**	-	-	**64,912,552**
Deposits	**3,252,575,522**	-	-	**3,252,575,522**
Other receivables	**3,949,697**	-	-	**3,949,697**
Accrued mark up	**63,837,663**	-	-	**63,837,663**
Cash and bank balances	**618,200,245**	-	-	**618,200,245**
	4,089,692,029	**3,175,659,588**	**2,074,460,750**	**9,339,812,367**

Financial liabilities as per statement of financial position	**At amortized cost**
	Rupees
Long term financing	**700,000,000**
Liabilities against assets subject to finance lease	**26,825,286**
Trade and other payables	**2,841,523,232**
	2,868,348,518

As at 30 June 2020 Financial assets as per statement of financial position	Assets at amortized cost	Assets at fair value through profit or loss	Assets at Fair value through other comprehensive income	Total
	Rupees	Rupees	Rupees	Rupees
Long term Investments	10,000,000	-	-	10,000,000
Long term deposits	84,244,100	-	-	84,244,100
Short term investments	-	679,120,749	15,869,235	694,989,984
Trade debts	66,215,600	-	-	66,215,600
Loans and advances	440,571,397	-	-	440,571,397
Deposits	1,434,127,963	-	-	1,434,127,963
Other receivables	4,807,679	-	-	4,807,679
Accrued mark up	53,071,800	-	-	53,071,800
Cash and bank balances	42,019,792	-	-	42,019,792
	2,135,058,331	679,120,749	15,869,235	2,830,048,315

Financial liabilities as per statement of financial position	At amortized cost
	Rupees
Liabilities against assets subject to finance lease	45,277,662
Trade and other payables	1,510,291,863
	1,555,569,525

Reconciliation to the line items presented in the statement of financial position is as follows:

As at 30 June 2021 Assets as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	Rupees	Rupees	Rupees
Long term investment	2,081,960,750	-	2,081,960,750
Long term deposits	13,216,258	-	13,216,258
Short term investments	3,175,659,588	-	3,175,659,588
Trade debts	65,500,092	-	65,500,092
Loans and advances	64,912,552	26,675,955	91,588,507
Deposits and prepayments	3,252,575,522	9,802,800	3,262,378,322
Other receivables	3,949,697	-	3,949,697
Accrued mark up	63,837,663	-	63,837,663
Cash and bank balances	618,200,245	-	618,200,245
	9,339,812,367	36,478,755	9,376,291,122

As at 30 June 2021 Liabilities as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	Rupees	Rupees	Rupees
Long term financing	700,000,000	-	700,000,000
Liabilities against assets subject to finance lease	26,825,286	-	26,825,286
Trade and other payables	2,841,523,232	206,076,859	3,047,600,091
	3,568,348,518	206,076,859	3,774,425,377

As at 30 June 2020	Financial assets	Non-financial assets	Total as per statement of financial position
Assets as per statement of financial position	**Rupees**	**Rupees**	**Rupees**
Long term investment	10,000,000	-	10,000,000
Long term deposits	84,244,100	-	84,244,100
Short term investments	694,989,984	-	694,989,984
Trade debts	66,215,600	-	66,215,600
Loans and advances	440,571,397	8,229,387	448,800,784
Deposits and prepayments	1,434,127,963	5,066,932	1,439,194,895
Other receivables	4,807,679	-	4,807,679
Accrued mark up	53,071,800	-	53,071,800
Cash and bank balances	42,019,792	-	42,019,792
	2,830,048,315	13,296,319	2,843,344,634

As at 30 June 2020	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
Liabilities as per statement of financial position	**Rupees**	**Rupees**	**Rupees**
Liabilities against assets subject to finance lease	45,277,662	-	45,277,662
Trade and other payables	1,510,291,863	19,900,818	1,530,192,681
	1,555,569,525	19,900,818	1,575,470,343

30. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide return for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends, issue new shares or sell assets to reduce debt.

31. DISCLOSURES UNDER SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

Following additional disclosures not else where disclosed in these financial statements are being provided to comply with the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016:

	2021 Rupees	2020 Rupees
a) Customers assets		
Bank balances in designated bank accounts	**539,275,411**	34,619,320
Market value of client securities in Central Depository Company	**36,238,352,381**	13,477,712,475
b) Pledged securities		
Clients securities	**4,045,386,998**	165,334,045
Proprietary securities	**2,170,104,385**	520,242,800
	6,215,491,383	685,576,845
c) Turnover		
Turnover during the year comprise of the followings:		
Retail trades	**451,977,987,786**	431,968,555,002
Institutional trades	**166,220,582,992**	220,076,762,364
Proprietary trades	**2,870,067,359**	2,870,067,359
	621,068,638,137	654,915,384,725

d) Aging analysis of brokerage trade receivables	2021 Rupees	2020 Rupees
Less than or equal to 5 days old receivables	**18,626,485**	9,130,505
More than 5 days old receivables:		
Gross receivables	**237,166,844**	224,320,621
Less: Provision as per regulations	**(206,076,404)**	(179,360,566)
Collateral held after applying VAR based haircut	**31,090,440**	44,960,055
Total	**49,716,925**	54,090,560

e) **Pattern of sharel: ılding**

There is no change in shareholding structure during the year. Following is shareholding structure of the Company:

Shareholder's Name	2021 Number	2020 Number
Mr. Muhammad Farid Alam	**500**	500
Ms. Hina Junaid Balagamwala	**1,500**	1,500
Mr. Tariq Adam Ghumra	**500**	500
Mr. Abdul Rauf Kasuri	**500**	500
AKD Group Holdings (Private) Limited {formerly Aqeel Karim Dhedhi Securities (Private) Limited}	**176,766,950**	176,766,950
Total shares in issue	**176,769,950**	176,769,950

f) The Net Capital Balance and Liquid Capital of the Company as at 30 June 2021 amounts to Rupees 2,999.669 million and Rupees 2,014.296 million, respectively.

32. DISCLOSURES UNDER THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN REGULATIONS NOTIFIED THROUGH CIRCULAR NO. 13 of 2018

Following additional disclosures not else where disclosed in these financial statements are being provided to comply with the requirements of the Central Depository Company of Pakistan Limited Regulations (Regulation No. 6.8.3):

	Note	2021 Rupees	2020 Rupees
Total assets	32.1	**9,588,880,538**	2,971,977,499
Less: Total liabilities		**(3,775,513,925)**	(1,575,470,343)
Less: Revaluation reserves (created upon revaluation on fixed assets)		**(2,500,000)**	(2,500,000)
Capital adequacy level		**5,810,866,613**	1,394,007,156

32.1 While determining the value of fixed assets of the Company, notional value of the TRE certificate held by the Company as at 30 June 2021 as determined by the Pakistan Stock Exchange has been considered.

33. NUMBER OF EMF OYEES

The number of employees during the year were as follc:vs:

	2021		2020	
	At year end	Average	At year end	Average
Number of employees	**142**	**141**	132	134

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the board of directors of the Company in their meeting held on 0 5 OCT 2021.

35. GENERAL

- Figures have been rounded of the nearest rupee. However, in some notes and disclosures figures have been stated in million rupees.
- No significant reclassification or re-arrangement of the corresponding figures has been made in these financial statements expect for the following for better presentation:

From	To	Rupees
Unclaimed deposits	Client deposits against trading	6,864,636
Long term a: ances and deposits	Property and equipment	71,145,842

CHIEF EXECUTIVE OFFICER **DIRECTOR**