FORTUNE SECURITIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022

FORTUNE SECURITIES LIMITED

Director's Report

Stock Market Review:

The KSE 100 Index showed a dismal performance in FY22 as a result of heightened political and economic risks for the country. GDP growth accelerated to 6% during FY22 however due to higher aggregate demand amid relaxed monetary and fiscal policies combined with commodity super-cycle led to heightened current account deficit which was recorded at US$ 17bn. Economic indicators deteriorated especially the Foreign Exchange Reserves which led to an unprecedented fall in the value of the Pak Rupee which dragged the KSE-100 down by 12.3% in the year.

Company Performance

The Brokerage industry normally depicts a reflection of the economic situation and the general investor sentiment for the country. As both these indicators turned negative especially towards the end of the Fiscal Year, the market volumes and shares prices were severely impacted. Your company posted a 55% decline in revenues which resulted in a Net Loss of Rs43.2m or Rs3.46/share vs a profit of Rs8.67/share in the corresponding period last year.

Future Outlook

FY2022-23 is expected to be a challenging year for the stock market due to high interest rates and currency weakening which has been accentuated by unprecedented floods in the country. The valuations are still on the course to catch up with historical norms. However, we remain optimistic of the company consolidating its position by focusing on attaining more Retail Investors and hiring quality people.

On behalf of the Board of Directors

Anis ur Rahman
Chief Executive

Syed Arif ur Rehman
Director

Dated: September 30, 2022

Fortune Securities Limited
Corporate Member-The Pakistan Stock Exchange Ltd.
Web: www.fortunesecurities.com

Corporate Office :
3rd Floor, Razi Tower, BC-13, Block No. 9, KDA Scheme No. 5, Clifton, Karachi.
PABX: +92(21) 35309101-09, Fax: +92 (21) 35309156

PSX Office :
Room No: 417, 4th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
Phone: +92(21) 32444230-32, +92(21) 32435085 Fax: +92(21)32444229

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A Member firm of
PrimeGlobal | An Association of Independent Accounting Firms

1st Floor, Modern Motors House,
Beaumont Road, Karachi-Pakistan.
Ph: +92-21-35671909, 35673754
Fax: +92-21-35210626
E-mail: khi@nzaj.com.pk
Web: www.nzaj.com.pk

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FORTUNE SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Fortune Securities Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, 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, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements 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.

NZAJ

Other Offices
2-B, ATS Centre, 30 West Block "A" Fazal-ul-Haq Road, Blue area, Islamabad, Pakistan. Ph: +92-51-2878530-32,2822785, Fax: +92-51-2206283, E-mail: isl@nzaj.com.pk
201-Regency Plaza, M.M. Alam Road, Gulberg-11, Lahore, Pakistan.. Ph: +92-42-35876891-94, Fax: +92-42-35764959, E-mail: lhr@nzaj.com.pk
1st Floor, Lamsay Arcade, Opp. Green's Banquet Hall, Peshawar, Pakistan. Ph: +92-91-5276102, 5274995, Fax:091-5274968, E-mail: pesh@nzaj.com.pk

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- 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.

N2A

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the unconsolidated financial statements were prepared

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra - FCA**

Naveed Zafar Ashfaq Jaffery
Chartered Accountants

Karachi
Dated : October 05,2022
UDIN : AR202210532CeJu5aUVn

FORTUNE SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		---------------- (Rupees) ----------------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 (2021: 20,000,000) Ordinary Shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	5	124,982,450	124,982,450
Capital reserve			
Revaluation surplus on property and equipment	6	13,183,342	16,254,178
Revenue Reserve			
Unappropriated profit		81,910,108	143,997,876
Total equity		220,075,900	285,234,507
Non-current liabilities			
Lease liabilities	7	8,791,366	10,381,238
Current liabilities			
Short term running finance	8	96,822,547	65,068,879
Trade creditors, accrued and other liabilities	9	158,132,309	306,216,223
Current portion of lease liability	7	6,383,018	6,286,695
		261,337,874	377,571,797
TOTAL EQUITY AND LIABILITIES		490,205,139	673,187,541
Contingencies and commitments	10	-	-
ASSETS			
Non-current assets			
Property and equipment	11	60,996,718	66,648,872
Intangible assets	12	11,453,888	11,453,888
Deferred tax asset	13	16,172,054	14,805,709
Long term deposits	14	2,632,305	2,639,992
		91,254,965	95,548,461
Current assets			
Trade debts - considered good	15	282,717,353	336,924,569
Short term investments	16	6,481,045	28,115,949
Advances - considered good	17	5,897,649	2,597,874
Deposits and prepayments	18	66,162,924	181,829,558
Other receivables	19	17,114,509	9,924,276
Taxation - net of provision		4,450,981	5,673,293
Cash and bank balances	20	16,125,713	12,573,562
		398,950,174	577,639,081
TOTAL ASSETS		490,205,139	673,187,541

The annexed notes from 1 to 38 form an integral part of these financial statements.

NZM

Chief Executive **Director**

FORTUNE SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------- (Rupees) ----------	
Operating revenue	21	111,133,948	248,083,824
Capital (loss)/gain on sale of investment		(4,690,058)	24,326,180
(Loss) on remeasurement of investment		(4,829,856)	(1,569,744)
Administrative and operating expenses	22	(140,887,146)	(133,695,153)
Operating (loss)/profit		(39,273,112)	137,145,107
Other income	23	6,563,397	5,548,399
Other charges	24	(36,717)	(96,432)
		(32,746,432)	142,597,074
Finance cost	25	(5,597,228)	(4,257,314)
(Loss)/profit before taxation		(38,343,660)	138,339,760
Taxation	26	(4,943,015)	(29,935,897)
(Loss)/profit after taxation		(43,286,675)	108,403,863
(Loss)/earning per share - basic and diluted	27	(3.46)	8.67

The annexed notes from 1 to 38 form an integral part of these financial statements.

N2M

Chief Executive **Director**

FORTUNE SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---------- (Rupees) ----------	
(Loss)/profit after taxation	**(43,286,675)**	**108,403,863**
Other Comprehensive income for the year		
Items that will not be be subsequently reclassified to statement of profit or loss		
Surplus on revaluation of property and equipment - net of tax	**3,070,836**	**3,070,836**
Total comprehensive (loss)/income for the year	**(40,215,839)**	**111,474,699**

The annexed notes from 1 to 38 form an integral part of these financial statements.

NZM

Chief Executive **Director**

FORTUNE SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Capital reserve		Revenue reserve		
	Issued, subscribed and paid-up capital	Revaluation Surplus	Unappropriated profit	Unrealized gain on investment at fair value Through OCI	Total
		---------- (Rupees) ----------			
Balance as at July 01, 2020	124,982,450	19,325,014	32,523,177		176,830,641
Other comprehensive income					
Profit for the year June 30, 2021	-	-	108,403,863	-	108,403,863
Transferred from surplus on revaluation of fixed assets - net of tax	-	(3,070,836)	3,070,836	-	
Total Comprehensive income for the year ended June 30, 2021	-	(3,070,836)	111,474,699	-	108,403,863
Balance as at June 30, 2021	**124,982,450**	**16,254,178**	**143,997,876**	-	**285,234,504**
Transaction with owner					
Interim Dividend for the period ended August 2021	-	-	**(12,498,245)**	-	**(12,498,245)**
Interim Dividend for the period ended January 2022	-	-	**(9,373,684)**	-	**(9,373,684)**
Other comprehensive income					
Loss for the year June 30, 2022	-	-	**(43,286,675)**	-	(43,286,675)
Transferred from surplus on revaluation of fixed assets - net of tax	-	**(3,070,836)**	**3,070,836**	-	-
Total Comprehensive income for the year ended June 30, 2022	-	**(3,070,836)**	**(40,215,839)**	-	**(43,286,675)**
Balance as at June 30, 2022	**124,982,450**	**13,183,342**	**81,910,108**	-	**220,075,900**

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive

Director

FORTUNE SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(38,343,660)	138,339,760
Adjustments for :			
- Depreciation		17,093,468	12,534,461
- Capital loss on disposal of short term investments		4,690,058	
- Loss on short term investments		4,829,856	1,569,744
- Loss on disposal of asset		36,717	50,399
- Balance write off		-	(275,824)
- Dividend income		45,137	(5,261,819)
- Interest income		(5,641,865)	(5,226,543)
- Finance cost		5,597,228	4,257,314
Cash generated from operating activities before working capital changes		26,650,598	7,647,732
(Increase)/decrease in current assets:		(11,693,062)	145,987,492
Trade debts - considered good		54,207,216	(224,633,357)
Advances - considered good		(3,299,775)	(779,088)
Deposits and prepayments		115,666,634	(86,686,913)
Other receivables		(7,190,234)	(4,135,723)
(Decrease)/increase in current liabilities:			
Trade creditors, accrued and other liabilities		(148,083,914)	103,480,168
		11,299,928	(212,754,913)
Finance cost paid		(5,597,228)	(4,257,314)
Taxes paid		(5,087,049)	(6,231,581)
Net cash (used in) from operating activities		(11,077,411)	(77,256,316)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(11,568,719)	(2,847,448)
Short term investments - net		12,629,007	54,944,695
Proceeds from disposal of property and equipments		93,150	-
Interest income		5,035,109	4,619,578
Dividend income		45,137	5,261,819
Long term deposits-net		7,687	(1,400)
Net cash generated from from investing activities		6,241,371	61,977,244
CASH FLOWS FROM FINANCING ACTIVITIES			
Received loan from director		-	7,200,000
Payment of loan to director		-	(7,200,000)
Payment of lease liabilities		(1,493,549)	(15,826,067)
Dividend paid		(21,871,929)	(12,498,248)
Net cash (used in) from financing activities		(23,365,478)	(28,324,315)
Net (decrease) in cash and cash equivalents during the year		(28,201,518)	(43,603,387)
Cash and cash equivalents at the beginning of the year		(52,495,316)	(8,891,929)
Cash and cash equivalents at the end of the year	28	(80,696,834)	(52,495,316)

The annexed notes from 1 to 38 form an integral part of these financial statements.

NZA

Chief Executive

Director

FORTUNE SECURITIED LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

Fortune Securities Limited ("the Company") was incorporated in Pakistan as a public unquoted Company on December 04, 1994 under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced with Companies Act, 2017 ('the Act'). The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is a TREC (Trading Right Entitlement Certificate) holder of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments, securities research, financial consultancy and underwriting.

The address of the company's offices are as follows:

Registered address

- 3rd Floor, Razi Tower, BC-13, Block No. 9, KDA Scheme No. 5, Clifton, Karachi.

Branch office

- Room No: 417 , 4th Floor, Stock Exchange Building, Stock Exchange Road , Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the "Act"); and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act,2017 differ from the IFRS standard, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except, for office building in property and equipment, which have been carried at revalued amount and short term investment in quoted equity securities which have been carried at their fair values.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

2.4 Use Of Estimates And Judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment and depreciation (refer note 4.1)
- Intangible assets and amortization (refer note 4.2)
- Deferred tax assets (refer note 4.9)
- Trade debts (refer note 4.8)
- Provisions (refer note 4.12)

N2M

4 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Property and equipment

Owned

Property and equipment (except for office premises) are stated at cost less accumulated depreciation and impairment losses, if any. Office premises are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation is charged to statement of profit or loss account by applying the straight line method systematically on yearly basis at the rates specified in note 12. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off. Surplus on revaluation of property and equipment is credited to surplus on revaluation of fixed assets account. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation of fixed assets - net of deferred tax is transferred directly to equity.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in statement of profit or loss for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

Right-of-use asset

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. If ownership of the leased asset transfer to the company at the end of the year or the cost reflect the exercise of purchase option.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.If the ownership of leasedassets transfer to company at the end of year or the cost reflects the exercise of purchase option, depreciation is calculated using the estimated useful life of asset.

Lease liability

At the commencement date of lease company recognizes lease liabilities measured at the present value of lease payment to be made over the lease term. The lease payments include lease payments(substance fixed payments) less any lease incentive receivables, variable lease payment that depend on an index or rate and amount expected to be paid under residual value gurantees. The lease payments also include the excercise price of purchase option reasonably certain to be excercised by the company and payment of penalties for terminating the lease, if the lease term reflect the company exercising the option to terminate variable lease payments that do not depend on an index and rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs).

In calculating the present value of lease payments, the company usues its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liability inceased to reflect the accretion of interest and reduce for the lease payment made. In addition the carrying amount of lease liability remeasured if there is modification , a change in the lease term , lease payment, or change in the assessment of an option to purchase the underlying asset.

N20

4.2 Intangible assets

These represent TREC of, Pakistan Stock Exchange Limited and membership cards of Pakistan Mercantile Exchange Limited and Dubai Gold and Commodity Exchange. These intangible assets have indefinite useful life and are stated at cost less accumulated ammortization and accumulated impairment (if any).

The carrying amount of intangible assets are reviewed at each balance sheet date to assess whether they are in excess of their recoverable. Provisions are made for decline in values, other than temporary, of these assets where the carrying values exceed estimated recoverable amounts.

Amortization is charged from the month of addition to the month proceeding the month of retirement / disposal.

4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset, i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized as part of cost of that asset. All other borrowing costs are charged to income in the period in which they are incurred.

4.4 Financial assets

4.4.1 Classification and initial measurement

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

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

(a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or

(b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.4.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

N2M

(b) ***Financial assets at FVOCI***

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) ***Financial assets at FVTPL***

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

4.4.3 Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assesing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at ammortized cost, contract assets and debt instruments at FVOCI, but not to investment in equity instruments.

The Company applies the IFRS 9 'General Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company measures expected credit losses on trade receivables in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.4.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

4.5 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account. Other financial liabilities are carried at amortized cost using effective interest method.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.6 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

4.7 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.8 Trade debts

Trade and other receivables are recognized at fair value and subsequently measured at amortised cost less impairment losses, if any. A receivable is recognized on the settlement date so this is the point of time that the payment of the consideration by a customer become due .Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade and other receivables considered irrecvorerable are written off.

4.9 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases 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 taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. 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.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.10 Revenue recognition

- Brokerage and commission income is recognized as and when such services are provided.
- Dividend income is recognized at the time when the right to receive dividend is established.
- Interest income is recognized on a time proportion basis that takes into account the effective yield.
- Income on continuous funding system is recognized on an accrual basis.
- Underwriting commission is recognized when the agreement is executed.
- Gains / (loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account into other income / other expense.
- All other incomes are recognized on an accrual basis.

4.11 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

4.12 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

NZM

4.13 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

4.14 Offsetting of financial assets and financial liabilities

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

4.15 Dividend

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.16 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash and bank balance and short term running finance, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

4.17 Earning per share

Earning per share is calculated by dividing the profit / (loss) after taxation for the year by the weighted average number of shares outstanding during the year.

NZM

	Note	2022	2021
		---------- (Rupees) ----------	

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

This comprises of fully issued, subscribed and paid-up ordinary shares of Rs. 10 each as follows:

2022	2021		2022	2021
------ (No. of shares) ------				
12,498,245	12,498,245	Fully paid in cash	124,982,450	124,982,450

5.1 Pattern of shareholding

	2022 Numbers of shares held	2022 Percentage of share held	2021 Numbers of shares held	2021 Percentage of share held
Individuals				
Mr Anis ur Rahman	5,999,121	48.00%	5,999,121	48.00%
Ms Shamama Arif Rehman	4,998,524	39.99%	4,998,524	39.99%
Mr Nabeel Tajammal	999,600	8.00%	999,600	8.00%
Me Syed Arif ur Rehman	500	0.00%	500	0.00%
Mr Shahid Ali	500	0.00%	500	0.00%
Financual Institution/Bank				
National Bank of Pakistan	500,000	4.00%	500,000	4.00%
	12,498,245	100.00%	12,498,245	100.00%

5.2 This is only class of ordinary shares.

5.3 There are no arrangements among shareholders in respect of voting right, board resolution, right of first refusal and block voting.

6 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX

	Note	2022	2021
Opening	6.1	16,254,178	19,325,014
Transferred to Unappropriated profit on account of:			
- Incremental depreciation - net of tax		(3,070,836)	(3,070,836)
		13,183,342	16,254,178

6.1 This represents surplus on revaluation of office building including in property and equipment adjusted by incremental depreciation on revluation surplus and related deferred tax assets which is presented at revalued amount. Last valuation was performed by independent valuation done by M/s Sadruddin Associates & Co. on June 30, 2016. The company has a policy to carry valuation of office building after every 8 years.

7 LEASE LIABILITY

	Note	2022	2021
		---------- (Rupees) ----------	
Minimum lease payment	7.1	15,174,384	16,667,933
Current portion of lease liabilities		(6,383,018)	(6,286,695)
Non-current portion of lease liability		8,791,366	10,381,238

7.1 Under the lease agreements rentals are payable in 36 equal monthly installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the company. The finances carry interest/mark-up rate of 9.71%, 10.5% per annum which has been used as a discounting factor. The company can exercise the purchase option upon the expiry of the respective lease term.

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

	2022			2021		
	Minimum Lease Payment	Financial charges allocated to future periods	Present value of minimum lease payments	Minimum Lease Payment	Financial charges allocated to future periods	Present value of minimum lease payments
	Rupees					
Not later than one year	7,476,614	1,093,596	6,383,018	7,719,435	1,432,740	6,286,695
More than five years	9,526,525	735,159	8,791,366	11,085,473	704,238	10,381,235
	17,003,139	1,828,755	15,174,384	18,804,908	2,136,978	16,667,930

N2M

More than five years	9,526,525	735,159	8,791,366	11,085,473	704,238	10,381,235
	17,003,139	1,828,755	15,174,384	18,804,908	2,136,978	16,667,930

8 SHORT TERM RUNNING FINANCE - Secured

	Note	2022	2021
		---------- (Rupees) ----------	
Habib Metropolitian Bank Limited		-	316,073
Askari Bank Limited		32,068,305	61,852,806
Bank of Khyber (BOK)		64,754,242	2,900,000
		96,822,547	65,068,879

8.1 Short term running finance facilities are available to company from Habib Metro Bank , Askari Bank limited and Bank of Khyber(BOK) carrying limit of 100M, 200M and 100M under mark-up arrangements respectively. HMB and AKBL facility has maturity dates up to December 2022 and BOK has maturity date up to February 2023 and it is secured against pledge of quoted various shares. These running finance facilities carry mark-up 3 month Kibor + 2% to 2.75% (2021: 3 month Kibor + 2% to 2.75%) that is payable quarterly.

The Running finance facility from Askari Bank are used for both clients and company itself and markup there on is also allocated on percentage basis.

The Running finance facility from Bank of khyber are fully use for clients and markup there on is recovered from clients.

9 CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	2022	2021
		---------- (Rupees) ----------	
Trade creditors	9.1	75,476,930	180,748,198
Payable to NCCPL		73,094,956	113,417,752
Sindh sales tax on brokerage services		663,798	3,146,325
Capital Gain tax payable		-	2,688,130
Commission payable to traders		1,923,644	1,923,459
Accrued liabilities		4,243,993	3,738,562
Other liabilities		17,553	17,553
Accrued markup		2,711,434	536,244
		158,132,309	306,216,223

9.1 It include balance of Rs 12,468 that relate to related party (2021 : Rs. 491,551).

10 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no contingencies as at June 30, 2022 (2021: Nil).

Commitments

		2022	2021
Bank guarantee from JS Bank Limited in favor of Pakistan Stock Exchange Limited		50,000,000	50,000,000

	Note	2022	2021
11 PROPERTY AND EQUIPMENT	11.1	60,996,718	66,648,872
12 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC)	12.1	2,500,000	2,500,000
Pakistan Mercantile Exchange Limited - Membership card		4,250,000	4,250,000
Dubai Gold and Commodity Exchange - Membership		4,703,888	4,703,888
		11,453,888	11,453,888

12.1 This represents TREC received by the company in accordance with Stock Exchange (Corporitization, Demutualization and ingregation) Act 2012 as ammended by Stock Exchange (Corporitization, Demutualization and Integration) (Ammendment) Act 2015. These have been carried at cost less accumulated impairment losses. PSX wide notice no. PSX/N-225 dated Feburary 16, 2021. have been notified the notional fees of Trading Right Entitlement Certificate which amount to Rs 2.5 Million.

	Note	2022	2021
		---------- (Rupees) ----------	
13 DEFERRED TAX ASSET			
Taxable temporary differences arising in respect of:			
Accelerated depreciation		(3,462,627)	(5,092,140)
Leased vehicle		(8,697,842)	(8,867,805)
Deductible temporary differences arising in respect of:			
Provision for doubtful debts		23,931,954	23,931,954
Obligation under finance lease		4,400,571	4,833,700
Closing balance of deferred tax asset		16,172,054	14,805,709
14 LONG TERM DEPOSITS			
Pakistan Stock Exchange Limited	14.1	110,000	110,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Pakistan Mercantile Exchange Limited	14.2	763,687	763,687
Others		358,618	366,305
		2,632,305	2,639,992

14.1 This represents deposit placed with Pakistan Stock Exchange Limited for taking exposure in regular and future market.

14.2 This represents deposit placed with Pakistan Mercantile Exchange Limited for taking exposure in commodity market.

	Note	2022	2021
		---------- (Rupees) ----------	
15 TRADE DEBTS - CONSIDERED GOOD			
Considered good			
Brokerage and operating		282,717,353	336,924,569
Considered doubtful			
Brokerage and operating		82,523,979	82,523,979
		365,241,333	419,448,548
Less: Provision for impairment on trade debts	15.1	(82,523,979)	(82,523,979)
		282,717,353	336,924,569
15.1 Provision for impairment on trade debts			
Opening balance		82,523,979	82,523,979
Additional impairment on initial application of IFRS 9		-	-
		82,523,979	82,523,979
Impairment during the year- net		-	-
Closing balance		82,523,979	82,523,979
15.2 Trade Receivable from related parties			
Anis Ur Rehman		21,788,274	21,788,074
Syed Arif Ur Rehman		6,408,160	29,289,249
Muhammad Danish		-	734,338
		28,196,434	51,811,661
15.3 Aging analysis of related parties balance			
Not yet due		-	30,023,587
Upto 3 months		6,408,160	-
Between 3 to 6 months		-	-
Between 3 to 6 months		-	-
Between 6 to 9 months		-	-
Between 9 to 12 months		-	-
Mote than 1 year		21,788,274	21,788,074
		28,196,434	51,811,661

15.4 The maximum outstanding balance against related party is Rs. 28,196,434 in the month of June 2022.

N2D

	Note	2022	2021
		---------- (Rupees) ----------	
15.5 Aging analysis of trade debts			
Within 5 days		144,915,039	208,672,099
Above 5 days		220,326,293	210,776,449
		365,241,333	419,448,548

The gross amount include Rs. 28.196 million (2021: Rs. 51.811) due from related party. As per Brokers (licensing and operations) Regulations, 2017 trade debts for more than five days to the extent by which the amount receivable exceeds the collateral held from such customer after applying haircuts on VAR are Rs. 0.

15.6 This shows trade receivables in respect of two days trading T+2 settlement,

16 SHORT TERM INVESTMENTS

At fair value through profit and loss

	Note	2022	2021
Listed equity securities	16.1	3,981,045	25,615,949
Term deposit receipt	16.2	2,500,000	2,500,000
		6,481,045	28,115,949

16.1 The number and fair value of securities peldged with PSX and NCCPL are as follows

	June 30, 2022		June 30, 2021	
	Number of securities	Fair Value	Number of securities	Fair Value
		(Rupees)		(Rupees)
Clients	5,374,238	147,374,982	5,559,517	168,791,122
Brokerage House	45,000	3,540,150	-	-
	5,419,238	150,915,132	5,559,517	168,791,122

The number and fair value of securities peldged with financial institutions are as follows

	June 30, 2022		June 30, 2021	
	Number of securities	Fair Value	Number of securities	Fair Value
		(Rupees)		(Rupees)
	1,375,200	140,747,041	-	-
Clients	-	-	2,828,800	178,845,316
Brokerage House	1,375,200	140,747,041	2,828,800	178,845,316

16.2 This represents one year term deposit in JS bank having interest rate 5.4% per annum.

	Note	2022	2021
17 ADVANCES - CONSIDERED GOOD		---------- (Rupees) ----------	
Advance to staff-secured		4,304,150	2,480,250
Advance against salary		1,593,499	117,624
		5,897,649	2,597,874

18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
Trade deposits	18.1	64,533,454	180,100,500
Prepayments		1,629,470	1,729,058
		66,162,924	181,829,558

18.1 This represents deposits with Pakistan Stock Exchange Limited and National Clearing Company Pakistan Limited against ready and future exposures.

19 OTHER RECEIVABLES

	2022	2021
Pakistan Mercantile Exchange Limited	24,444	2,032,405
Receivable from PSX	14,953,805	6,533,442
Insurance claims	59,315	75,110
Interest receivable from banks	737,212	606,965
Others	1,339,734	676,354
	17,114,509	9,924,276

N2M

		Note	2022	2021
20	**CASH AND BANK BALANCES**		---------- (Rupees) ----------	
	At banks:			
	Current account			
	- pertaining to client		7,291,571	8,860,357
	- pertaining to brokerage house		1,105,645	2,036,849
	Saving account			
	- pertaining to client		6,944,309	215,604
	- pertaining to brokerage house		674,988	1,316,551
	Cash in hand		109,200	144,200
			16,125,713	12,573,562

20.1 The interest rates on saving accounts range from 10% to 15% per annum (2021: from 10% to 5%).

		Note	2022	2021
			---------- (Rupees) ----------	
21	**OPERATING REVENUE**			
	Brokerage - PSX	21.1	110,980,414	242,605,624
	IPO commission		108,397	216,381
	Dividend income		45,137	5,261,819
			111,133,948	248,083,824
21.1	**Brokerage Income**			
	- Institutional customers		45,429,460	83,407,489
	- Retail clients		65,550,954	159,198,135
			110,980,414	242,605,624

21.2 This include brokerage earned from related parties amounting to Rs. 9.319 million (2021: 12.224 million)

		Note	2022	2021
22	**ADMINISTRATIVE AND OPERATING EXPENSE**			
	Salaries, benefits and other allowances		88,256,548	80,712,113
	Commission to traders		185	1,680
	Transaction and settlement cost		12,814,276	21,880,863
	Depreciation	12.1	17,093,468	12,534,461
	Vehicle running		4,832,998	3,494,859
	Communication		2,280,195	1,953,923
	Utilities		2,453,704	1,723,167
	Repairs and maintenance		3,048,362	2,211,277
	Software		1,121,303	1,106,054
	Fee and subscriptions		2,431,859	2,788,819
	Printing and stationery		173,063	209,635
	Legal and professional charges		866,267	431,985
	Insurance		1,448,256	1,133,922
	Generator		628,137	297,369
	Rent, rates and taxes		1,023,109	909,097
	Auditor's remuneration	22.1	746,676	712,450
	Entertainment		206,605	130,161
	Traveling and conveyance		-	94,167
	Newspapers and periodicals		100,829	126,882
	Miscellaneous		1,361,307	1,242,269
			140,887,146	133,695,153

N2M

	Note	2022	2021
		---------- (Rupees) ----------	

22.1 Auditors' remuneration

	2022	2021
Audit fee	550,000	450,000
Out-of-pocket expenses	43,400	7,450
Others	153,276	255,000
	746,676	712,450

23 OTHER INCOME

Income from financial assets:

	2022	2021
Profit on PLS bank accounts	1,112,184	1,211,543
Interest income from special deposit	3,921,502	4,014,999
Other income	1,529,711	321,857
	6,563,396	5,548,399

24 OTHER CHARGES

	2022	2021
Loss on remeasurement on short term investment	-	50,399
Loss on disposal of fixed assets-net	36,717	46,033
	36,717	96,432

25 FINANCE COST

	2022	2021
Mark-up on running finance	1,907,034	2,045,388
Bank charges	1,770,280	1,338,637
Interest expense on asset subject to finance lease	1,919,914	873,290
	5,597,228	4,257,314

26 TAXATION

	2022	2021
Current	6,309,363	33,355,795
Prior	-	186,074
	6,309,363	33,541,869
Deferred tax	(1,366,347)	(3,605,972)
	4,943,015	29,935,897

27 (LOSS)/EARNING PER SHARE - BASIC AND DILUTED

	2022	2021
(Loss)/ Profit after taxation for the year (Rupees)	(43,286,675)	108,403,863
Weighted average number of ordinary shares	12,498,245	12,498,245
(Loss)/ Earning per share - basic and diluted (Rupees)	(3.46)	8.67

28 CASH AND CASH EQUIVALENTS

	2022	2021
Cash and bank balances	16,125,713	12,573,562
Short term running finance	(96,822,547)	(65,068,879)
	(80,696,834)	(52,495,317)

29 REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the chief executive and directors of the Company are given below:

	2022		2021	
	Chief Executive	Director	Chief Executive	Director
	Rupees			
Managerial remuneration	12,000,000	11,700,000	12,118,943	11,956,426
Bonus	-	-	-	-
Total	12,000,000	11,700,000	12,118,943	11,956,426
No of person(s)	1	3	1	3

29.1 The Chief Executive Officer is provided with the Company 2 maintained car and other director is also provided with company maintained car in accordance with the Company's policy.

N2M

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placement or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery.

The maximum exposure to credit risk at the reporting date is as follows:

		Carrying amount	
		2022	2021
	Note	---------- (Rupees) ----------	
Long term deposits	14	2,632,305	2,639,992
Trade debts - considered good	15	282,717,353	336,924,569
Short term investments	16	6,481,045	28,115,949
Advances - considered good	17	5,897,649	2,597,874
Deposits and prepayments	18	66,162,924	181,829,558
Other receivables	19	17,114,509	9,924,276
Bank balances	20	16,016,513	12,429,362
		397,022,297	574,461,580

All balances are denominated in local currency.

Cash and Bank Balances

The analysis below summarizes the credit quality of the Company's bank balances (including profit receivables) as at June 30, 2022 and June 30, 2021:

	2022	2021
	---------- (Rupees) ----------	
Bank balances	16,016,513	12,429,361

The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to external credit ratings thereof, ranging from AAA to BBB assigned by reputable credit rating agencies.

30.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulties in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

N2M

The following are the contractual maturities of financial liabilities:

	2022			
	Carrying amount	Contractual cash flows	Up to One year	Over one year to five year
	---Rupees---			
Financial liabilities				
Lease liability	15,174,384	15,174,384	6,383,018	8,791,366
Short term runing finance	96,822,547	96,822,547	96,822,547	-
Trade creditors, accrued and other liabilities	158,132,309	158,132,309	158,132,309	-
	270,129,240	270,129,240	261,337,874	8,791,366

	2021			
	Carrying amount	Contractual cash flows	Up to One year	Over one year to five year
	---Rupees---			
Financial Liabilities				
Lease liability	16,667,933	16,667,933	6,286,695	10,381,238
Short term runing finance	65,068,879	65,068,879	65,068,879	-
Trade creditors, accrued and other liabilities	306,216,223	306,216,223	306,216,223	-
	387,953,035	387,953,035	377,571,797	10,381,238

30.3 Market risk

Market risk is the risk that the value of a financial instruments may fluctuate as a result of changes in market interest rates or the market prices due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manage market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. The Company is exposed to interest rate risk and other price risk only.

30.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2022	2021	2022	2021
Financial Liabilities	**Effective Intrerest**		**---- Rupees ----**	
Short term running finance-secure	Kibor + 1.25 % - 2.75%	Kibor + 1.25 % - 2.75%	96,822,547	65,068,879
Cash and bank balances in profit or loss sharing accounts	5% to 10%	5% to 10%	7,619,297	1,532,155

The Company does not have any fixed rate financial instrument at fair value through profit or loss.

N2M

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

30.5 Price risk

Price risk include equity price risk which is the risk of changes in the fair value of equity securties as a result of change in the PSX index and the value of individual shares.

The table below summarises the company equity price risk as at June 30, 2022 and shows the effect of hypothetical 10% increase and 10% decrease in market prices as the year end

	2022				
	Fair Value	Hypothetical price change	Estimated fair value after hypothetical price change	Hypotheical increase/ (decrease) in profit/(loss) after tax	Hypothetical increase/ (decrease) in shareholder's equity
		----------Rupees----------			
June 30, 2022	*6,481,045*	10 % increase	7,129,150	648,105	648,105
		10 % decrease	5,832,941	(648,105)	(648,105)
June 30, 2021	*28,115,949*	10 % increase	30,927,544	2,811,595	2,811,595
		10 % decrease	25,304,354	(2,811,595)	(2,811,595)

30.6 Operational risk

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arise from all of the Company's activities.
The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirement for the reconciliation and monitoring of transaction;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirement for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

31 MEASURMENT OF FAIR VALUES

A number of the company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quote prices included in Level 1 that are observables for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:inputs for the asset or liability that are based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy a, then the fair value measurements is categorized in its entirety in the same level of the fair value heirchy as the lowest level input that is significant to the entire measurement.

NDM

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

At the year end, following financial instrument is carried at fair value which requires classification in the above mentioned levels

Financial Asset as at Balance Sheet date	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial Assets measured at fair value				
Office building	-	24,112,016	-	-
Short term investment	6,481,045	-	-	-
	6,481,045	24,112,016	-	-

Financial Asset as at Balance Sheet date	2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial Assets measured at fair value				
Office building	-	30,140,016	-	-
Short term investment	28,115,949	-	-	-
	28,115,949	30,140,016	-	-

The company values its Office premises and intangible assets at revalued amounts, consequently, they are stated at revalued amount, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the aforementioned assets as at June 30, 2016 were done by M/s Sadruddin Associates (Private) Limited, an independent valuer not related to the company.

There were no transfers between levels of hierarchy during the year.

32 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders.

There were no changes in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for Base minimum capital requirement of PSX to which the company is complied through the pledge of shares of PSX.

32.1 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchnage Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Broker and Agent Registration Rule, 2001, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June, 2022, the company is required to maintain BMC of Rs. 28,376,801.

	2022	2021
	(Rupees)	
Bank Guarantee	25,000,000	15,000,000
Value of Margin Eligible Securities	3,569,503	8,697,303
	28,569,503	23,697,303

33 CAPITAL ADEQUACY LEVEL

The Capital adequacy level of the company is as follows

Total assets	490,205,139	355,163,655
Less Total liabilities	(270,129,240)	(169,986,387)
Less Revaluation reserve (created upon revaluation of fixed assets)	(81,910,108)	(22,395,850)
	138,165,792	162,781,418

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate as at year ended as determined by Pakistan Stock Limited has been considered.

N2M

33.1 LIQUID CAPITAL BALANCE A ON JUNE 30,2022

The below statement has been prepared in accordance with the regulation 6(3) and schedule 3 of the securties broker (Licensing and Operations) Regulation, 2016

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	June 2022
1. Assets				
1.1	Property & Equipment	60,996,718	100.00%	-
1.2	Intangible Assets	11,453,888	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	2,500,000	10.00%	2,250,000
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	440,895	66,134	374,761
	ii. If unlisted, 100% of carrying value.			
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.			
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	-	-
1.6	Investment in subsidiaries	-	100.00%	-
1.7	**Investment in associated companies/undertaking**	-	-	-
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,632,305	100.00%	-
1.9	Margin deposits with exchange and clearing house.	80,255,535	-	80,255,535
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Advance tax, other deposits and prepayments	10,503,688	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	4,304,150	-	4,304,150
	ii. Advance tax to the extent it is netted with provision of taxation.	4,450,981	-	4,450,981
	iii. Receivables other than trade receivables	2,160,704	100.00%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-

N2N

1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	144,915,039	-	144,915,039
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	198,538,020	155,265,892	43,272,128
	vi. 100% haircut in the case of amount receivable form related parties.	28,196,434	100.00%	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	1,780,633	-	1,780,633
	ii. Bank balance-customer accounts	14,235,880	-	14,235,880
	iii. Cash in hand	109,200	-	109,200
1.19	**Total Assets**	**567,474,070**		**295,948,308**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	73,094,956	-	73,094,956
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	75,452,487	-	75,452,487
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	663,798	-	663,798
	ii. Accruals and other payables	8,896,624	-	8,896,624
	iii. Short-term borrowings	96,822,547	-	96,822,547
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities	6,383,018	-	6,383,018
	vi. Deferred Liabilities		-	-
	vii. Provision for bad debts		-	-
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	24,443	-	24,443
2.3	**Non-Current Liabilities**	-		
	i. Long-Term financing	-		
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	8,791,366	8,791,366	-
2.4	**Subordinated Loans**		-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital	-		
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	**Total Liabilities**	**270,129,240**	**8,791,366**	**261,337,874**

NZM

3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issuse : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	-	-
		297,344,830		**34,610,433**

34 TRANSACTIONS AND BALANCES WITH RELATED PARTY

Related parties comprise subsidiaries, directors and their close family members, major shareholders of the Company, key management personnel companies under common management. Remuneration of the chief executives and directors is disclosed in ncte 29 to the financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows

N2M

	2022	2021
	---------- (Rupees) ----------	
Transactions with related parties		
Key Management Pe		
During the year company has earned brokerage commssion from its Related Party	9,319,058	12,224,220
During the year company owes commission to related party	1,539,853	-
Loan to director	-	5,000,000
Reyayment of loan from director	-	(5,000,000)
Balances at year end		
Receivable against trade		
Anis ur Rehman	21,788,274	21,788,074
Muhammad Danish	-	734,338
Payable against Trade		
Anis ur Rehman	956	482,706
Syed arif ur Rehman	11,512	8,845
Dividend paid to related party		
Anis ur Rehman	10,498,462	5,999,123
Syed arif ur Rehman	500	500
Muhammad Danish	875	500

35 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Company as at June 30, 2022 are located in Pakistan.

36 DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATION, 2015

At present, the Company currently employing 2 members in its research department (including head of research and database manager). Data analyst prepares reports and report to Head of research who in turn reports to the chief Executive officer.

Compensation structure of research analysts is flat and is subject to qualification. experience and skill set of the person. However. the compensation of anyone employed in the research department does not in any way depend on the contents / outcome of research report.

During the year. The personnel employed in the research department have drawn an aggregate salary and benefits amounting to Rs. 5.8 million which comprise basic salary, medical allowance and other benefits as per the company's policy.

37 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at the year end and during the year respectively are as follows :

	2022	2021
	Number	
Total employees of the company at year end	49	45
Average number of employees during the year	46	45

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on 05-10-2022.

NZM

Chief Executive

Director

11.1 PROPERTY AND EQUIPMENT

2022

	Office premises	Furniture and fixtures	Office equipment	Computers	Electric installation	Motor vehicles (Owned)	Motor vehicles (Leased)	Total
COST / REVALUED AMOUNT								
As on July 1, 2021	60,280,000	7,420,781	9,946,450	7,290,110	1,033,673	5,024,040	34,843,399	125,838,453
Additions/Transfers	-		2,124,450	2,018,769		67,500	7,358,000	11,568,719
Disposals /Transfers	-	-		(142,400)	-	(101,044)		(243,444)
As at June 30, 2022	**60,280,000**	**7,420,781**	**12,070,900**	**9,166,479**	**1,033,673**	**4,990,496**	**42,201,399**	**137,163,728**
ACCUMULATED DEPRECIATION								
As at July 1, 2021	30,139,984	5,209,653	9,142,071	5,719,121	1,029,259	3,684,728	4,264,760	59,189,575
For the year	6,028,000	483,178	622,310	1,071,986	4,414	939,500	7,944,080	17,093,468
Transfers								-
On disposals	-	-		(97,758)	-	(18,275)	-	(116,033)
As at June 30, 2022	**36,167,984**	**5,692,831**	**9,764,381**	**6,693,349**	**1,033,673**	**4,605,953**	**12,208,840**	**76,167,010**
Written down value	**24,112,016**	**1,727,950**	**2,306,519**	**2,473,130**	**-**	**384,543**	**29,992,559**	**60,996,718**

2021

	Office premises	Furniture and fixtures	Office equipment	Computers	Electric installation	Motor vehicles (Owned)	Motor vehicles (Leased)	Total
COST / REVALUED AMOUNT								
As on July 1, 2020	60,280,000	6,918,915	9,273,777	6,132,378	1,033,673	4,919,540	4,392,000	92,950,283
Additions	-	501,866	692,500	1,341,582	-	4,703,500	34,843,399	42,082,847
Disposals	-	-	(19,827)	(183,850)	-	(4,599,000)	(4,392,000)	(9,194,677)
As at June 30, 2021	**60,280,000**	**7,420,781**	**9,946,450**	**7,290,110**	**1,033,673**	**5,024,040**	**34,843,399**	**125,838,453**
ACCUMULATED DEPRECIATION								
As at July 1, 2020	24,111,988	4,746,400	8,795,746	5,355,746	968,547	369,076	2,460,917	46,808,420
For the year	6,027,996	463,253	366,151	496,850	60,712	931,390	4,188,105	12,534,457
On disposals	-	-	(19,826)	(133,475)	-	2,384,262	(2,384,262)	(153,301)
As at June 30, 2021	**30,139,984**	**5,209,653**	**9,142,071**	**5,719,121**	**1,029,259**	**3,684,728**	**4,264,760**	**59,189,576**
Written down value	**30,140,016**	**2,211,128**	**804,379**	**1,570,989**	**4,414**	**1,339,312**	**30,578,639**	**66,648,872**
Depreciation Rates	**10%**	**10%**	**30%**	**33%**	**20%**	**20%** N2M	**20%**	

11.2 Had there been no revaluation, the net carrying value of office building would be Rs. 7,857,836 (2021 :Rs. 10,815,002)