

**CMA SECURITIES (PVT.) LIMITED**

**HALF YEARLY FINANCIAL STATEMENT**

**31-12-2021**

**CMA SECURITIES (PVT.) LIMITED  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31,2021**

		<b>Un Audited 31-12-2021</b>	<b>Audited 30-6-2021</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	1	186,050	195,843
Intangible assets	2	2,563,750	2,571,250
Long term investment	3	37,841,499	37,841,499
long term deposits	4	605,000	605,000
Deferred tax assets	10	89	89
		<u>41,196,388</u>	<u>41,213,681</u>
<b>CURRENT ASSETS</b>			
Investment at fair value through profit or loss	5	24,341,298	24,666,581
Trade deposits, short term prepayments and current account balance with statutory authorities	6	525,184	580,812
Cash and bank balances	7	1,314,539	471,829
		<u>26,181,021</u>	<u>25,719,222</u>
		<u>67,377,409</u>	<u>66,932,903</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital			
Share Capital	8	35,000,000	35,000,000
Revenue Reserve			
Un-appropriated profit		14,164,196	13,767,974
Capital Reserve			
Fair value adjustment reserve		11,335,353	11,335,353
		<u>60,499,549</u>	<u>60,103,327</u>
Long term loan from director	9	5,000,000	5,000,000
		<u>65,499,549</u>	<u>65,103,327</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation	10	-	-
<b>CURRENT LIABILITIES</b>			
Deposits, accrued liabilities and advances	11	9,295	122,844
Trade and other payables	12	266,381	204,548
Loan from relates party	13	1,602,184	1,502,184
Provision for taxation		1,877,860	1,829,576
		<u>1,877,860</u>	<u>1,829,576</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-	-
		<u>67,377,409</u>	<u>66,932,903</u>

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

*Pran Kumar*  
CHIEF EXECUTIVE

*Aam Mangra*  
DIRECTOR

**CMA SECURITIES (PVT.) LIMITED**  
**STATEMENTS OF PROFIT OR LOSS**  
**FOR THE HALF YEARLY ENDED DECEMBER 31, 2021**

		<b>Un Audited 31-12-2021</b>	<b>Audited 30-6-2021</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Dividend income		1,877,839	1,849,770
Direct expenses	15	<u>(4,162)</u>	<u>(15,561)</u>
		1,873,677	1,834,209
Operating expenses	16	<u>(855,327)</u>	<u>(1,434,453)</u>
Other operating expenses	17	<u>(13,558)</u>	<u>(80,395)</u>
Other income (Loss)	18	<u>(325,283)</u>	<u>3,707,462</u>
		<u>(1,194,168)</u>	<u>2,192,614</u>
<b>Profit from operation</b>		679,509	4,026,823
Finance cost	19	<u>(1,612)</u>	<u>(7,097)</u>
<b>Profit before taxation</b>		677,897	4,019,726
Taxation	20	<u>(281,676)</u>	<u>(225,418)</u>
<b>Profit for the year</b>		396,221	3,794,308
<b>Earnings per share-basic and diluted</b>	21	<u>1.13</u>	<u>10.84</u>

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

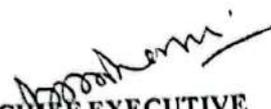
*Monherm*  
**CHIEF EXECUTIVE**

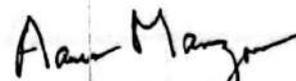
*Aam Mangar*  
**DIRECTOR**

**CMA SECURITIES (PVT.) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEARLY ENDED DECEMBER 31, 2021**

	Un Audited 31-12-2021	Audited 30-6-2021
	Rupees	Rupees
Profit for the year	396,221	3,794,308
Items that will not be reclassified subsequently to profit or loss account	-	-
Items that may be reclassified subsequently to profit or loss account	-	-
Gain/(loss) on available for sale investment	-	6,220,936
Other comprehensive income/ (loss) for the year	-	6,220,936
Total comprehensive income/(loss) for the year	396,221	10,015,244

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

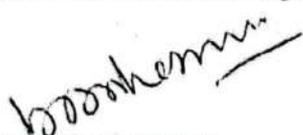
  
**CHIEF EXECUTIVE**

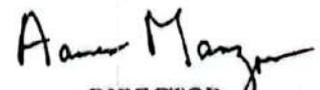
  
**DIRECTOR**

**MA SECURITIES (PVT.) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEARLY ENDED DECEMBER 31, 2021**

	Paid up capital	Un-appropriate profit	Fair value adjustment reserve	Subtotal	Long term loan	Total
	.....(R u p e e s).....					
Balance as at June 30, 2020	35,000,000	9,973,666	5,114,417	50,088,083	5,000,000	55,088.08
Profit after taxation	-	3,794,308	-	3,794,308	-	3,794,30
Other comprehensive loss	-	-	6,220,936	6,220,936	-	6,220,93
Total comprehensive loss for the year	-	3,794,308	6,220,936	10,015,244	-	10,015,24
Balance as at June 30, 2021	35,000,000	13,767,974	11,335,353	60,103,327	5,000,000	65,103,32
Profit after taxation	-	396,221	-	396,221	-	396,22
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	396,221	-	396,221	-	396,22
Balance as at Dec 31, 2021	35,000,000	14,164,196	11,335,353	60,499,548	5,000,000	65,499,54

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

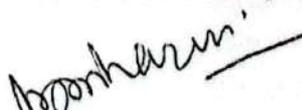
  
**CHIEF EXECUTIVE**

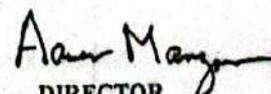
  
**DIRECTOR**

**CMA SECURITIES (PVT.) LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE HALF YEARLY ENDED DECEMBER 31, 2021**

	Note	Un Audited 31-12-2021 Rupees	Audited 30-6-2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		677,897	4,019,726
<b>Adjustments of Items not involving movements of cash:</b>			
Depreciation	1	9,292	18,446
Amortization	2.2	7,500	3,750
Unrealised (gain) / loss on remeasurement of investment	18	325,283	(3,707,462)
		<u>342,575</u>	<u>(3,685,266)</u>
<b>Operating cash flows before working capital changes</b>		<b>1,020,473</b>	<b>334,460</b>
<b>(Increase)/Decrease in Working Capital</b>			
<b>(Increase)/Decrease in current assets</b>			
		55,628	-
<b>(Increase)/Decrease in current liabilities</b>			
Deposits, accrued liabilities and advances		(113,549)	(117,035)
Trade and other payables		61,833	82,644
		<u>3,912</u>	<u>(34,391)</u>
<b>Cash Generated From Operations</b>		<b>1,024,385</b>	<b>300,069</b>
Taxes paid		(281,676)	(532,122)
<b>Net cash flows from operating activities</b>		<b>742,709</b>	<b>(232,053)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure during the year		-	(49,000)
Computer software purchased during the year		-	(75,000)
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>(124,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from related party		100,000	-
<b>Net cash flows from financing activities</b>		<b>100,000</b>	<b>-</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</b>		<b>842,709</b>	<b>(356,053)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>471,829</b>	<b>827,881</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	A	<b>1,314,539</b>	<b>471,829</b>
<b>A Cash and Cash Equivalents</b>			
Cash and Bank balances	7	1,314,539	471,829
		<u>1,314,539</u>	<u>471,829</u>

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

  
**ANSHUMAN**  
**CHIEF EXECUTIVE**

  
**ANURAG**  
**DIRECTOR**

**CMA SECURITIES (PVT), LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR HALF YEARLY ENDED DECEMBER 31, 2021**

**1 COMPANY AND ITS OPERATION**

- 1.1 CMA Securities is a (Private) Limited company incorporated on May 25, 2006 under the repealed Companies Ordinance, 1984. It is engaged in the business of stock brokerage, investment counseling and register services. It is corporate TRE certificate holder of Islamabad Stock exchange Limited. Registered office is situated at 6-A, Block-IT, Ground Floor, Gulberg Heights, Gulberg-II, Lahore. The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.
- 1.2 During the year, the company could not generate any revenue from its core business operations of Brokerage and Commission. This matter indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, and therefore, the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on a going concern basis for reasons disclosed above and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as a going concern.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) 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 a directive issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issue under the Companies Act, 2017 have been followed.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Pakistani Rupee, which is the company's functional and presentational currency.

**2.4 JUDGEMENT, ESTIMATES AND ASSUMPTIONS**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if therevision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follow:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Valuation of investment in ordinary shares of ISE Financial Services Limited
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the month in which an asset is acquired while no depreciation is charged for the month in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

#### **3.2 INTANGIBLE ASSETS**

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

##### **3.2.1 Membership card and offices**

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

##### **3.2.2 COMPUTER SOFTWARE**

Expenditure incurred to acquire identified computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged when assets is available for use until asset is disposed off.

### **3.3 FINANCIAL ASSETS**

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### **3.3.1 Held to Maturity**

The investment with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

#### **3.3.2 At Fair Value Through Profit or Loss**

Investment classified as held for trading are included in the category of financial assets at fair value through profit or loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

#### **3.3.3 AVAILABLE-for-SALE**

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit or loss as re-classification adjustment.

### **3.4 FINANCIAL LIABILITIES**

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

### **3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

A financial asset and a financial liability is offset and the net amount is reported in the financial statements 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.

### **3.6 TRADE DEBTS AND OTHER RECEIVABLES**

Trade and other receivables are recognized and carried at transaction price less an allowance for impairment.

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

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

### 3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

### 3.8 BORROWINGS

Loans are measured at amortized cost using the effective interest method. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognized at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognized as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective interest rate method; this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

### 3.9 TAXATION

#### Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

#### Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

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

### **3.10 TRADE AND OTHER PAYABLES**

Trade and other payables are recognized initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

### **3.11 PROVISIONS**

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

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows 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 recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

### **3.12 CONTINGENT LIABILITIES**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.13 FOREIGN CURRENCY TRANSACTION AND TRANSLATION**

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchange rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

### **3.14 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### **3.15 REVENUE RECOGNITION**

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided.
- Profit on saving accounts, profit on exposure deposits a markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit or loss for the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

### **3.16 BASIC AND DILUTED EARNINGS PER SHARE**

The Company presents basic and diluted earnings per share (EPS) for its shareholder. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholder of the company by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

### **3.17 RELATED PARTY TRANSACTIONS**

Transactions and contracts with the related parties are carried out on an arm's length price determined in accordance with comparable uncontrolled price method except reasons disclosed in relevant notes to the financial statements.

### **3.18 TRADE DATE ACCOUNTING**

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			WDV As at Dec 31, 2021
	As at July 01, 2021	Additions	As at Dec 31, 2021		As at July 01, 2021	Charge for the year	As at Dec 31, 2021	
	.....Rupees.....				.....Rupees.....			
<b>OWNED</b>								
Furniture and fixture	184,425	-	184,425	10	137,547	2,344	139,891	44,534
Office equipments	405,516	-	405,516	10	267,745	6,889	274,634	130,882
Electric installation	44,040	-	44,040	10	32,846	560	33,406	10,634
	<u>633,981</u>	<u>-</u>	<u>633,981</u>		<u>438,138</u>	<u>9,792</u>	<u>447,930</u>	<u>186,050</u>

PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			WDV As at June 30, 2021
	As at June 30, 2020	Additions	As at June 30, 2021		As at June 30, 2020	Charge for the year	As at June 30, 2021	
	.....Rupees.....				.....Rupees.....			
<b>OWNED</b>								
Furniture and fixture	184,425	-	184,425	10	132,338	5,209	137,547	46,878
Office equipments	356,516	49,000	405,516	10	255,752	11,993	267,745	137,771
Electric installation	44,040	-	44,040	10	31,602	1,244	32,846	11,194
	<u>584,981</u>	<u>49,000</u>	<u>633,981</u>		<u>419,692</u>	<u>18,446</u>	<u>438,138</u>	<u>195,843</u>

Un Audited  
31-12-2021

Audited  
30-6-2021

Allocation of Depreciation:

	Note	Rupees	Rupees
Operating expenses	16	<u>9,792</u>	<u>18,446</u>

## 2 INTANGIBLE ASSETS

		Un Audited 31-12-2021	Audited 30-6-2021
	Note	Rupees	Rupees
Trading right entitlement certificate (TREC)	2.1	2,500,000	2,500,000
Computer software	2.2	63,750	71,250
		<u>2,563,750</u>	<u>2,571,250</u>

- 2.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Islamabad Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Trading Right entitlement certificate is pledged/ mortgaged with the Pakistan Stock Exchange Limited as a collateral for running the brokerage business.

### 2.2 Computer software

Cost:

Balance as at July 01,  
Additions during the year  
Balance as at Dec 31,

	Un Audited 31-12-2021	Audited 30-6-2021
	Rupees	Rupees
	75,000	-
	-	75,000
	<u>75,000</u>	<u>75,000</u>

**Amortization:**

Balance as at July 01,  
Charge for the year  
Balance as at Dec 31,

	3,750	-
	7,500	3,750
	<u>11,250</u>	<u>3,750</u>
	<u>63,750</u>	<u>71,250</u>
	<u>20%</u>	<u>20%</u>

**Net book value**

Rate of amortization

## 3 LONG TERM INVESTMENT

Unquoted shares- ISE Towers REIT Management  
Company Limited

Available for sale

Cost as at July 01,  
Fair value adjustment

	26,506,146	26,506,146
	11,335,353	11,335,353
	<u>37,841,499</u>	<u>37,841,499</u>

- 3.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act), The Islamabad Stock Exchange Limited, now ISE Towers REIT Management Company Limited allotted 3,034,603 shares of the face value of Rs. 10 each to the TREC holder. The divestment of the same will be made in accordance with the requirements of the Act with in one year from the date of Scheme(s) of integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Company has pledged 3,034,603 shares of ISE Towers REIT Management Company Limited with the Pakistan Stock Exchange to fulfill the Base Minimum Capital requirement.

The Company, as per its policy, carried out the valuation of the aforementioned investments. In this connection, the valuation technique used by the Company was Discounted Cash Flow of Earning method. Assumptions and inputs used in the valuation are post-tax earnings, historic growth rate of earning, rate of return on equity, risk premium. Principal assumptions used in the valuation of above unquoted investments are based on current market/industry conditions in respect of discount rate and growth rate. Business net cash flow forecast over an indefinite (infinity) has been assumed after projection period of 5 years.

		Un Audited 31-12-2021	Audited 30-6-2021
	Note	Rupees	Rupees
<b>4 LONG TERM DEPOSITS</b>			
Deposits with:			
Office rent security	4.1	105,000	105,000
Central Depository Company of Pakistan Ltd.		100,000	100,000
National Clearing Company of Pakistan Ltd.	4.2	400,000	400,000
		<u>605,000</u>	<u>605,000</u>

4.1 This represents security deposited with Mr. Azfar Manzoor- Chief Executive.

4.2 This includes deposits amounting Rs. 200,000 transferred by Pakistan Stock Exchange Limited for taking exposures in regular and future markets.

#### 5 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Un Audited 31-12-2021	Audited 30-6-2021
	Note	Rupees	Rupees
Investment- listed securities		24,666,581	20,959,119
Carrying value			
Gain (Loss) on remeasurement of fair value of investment as at June 30, and Dec 31		(325,283)	3,707,462
	5.1	<u>24,341,298</u>	<u>24,666,581</u>

5.1 This includes share with carrying value of Rs. 3,539,800 (2020: Rs. 3,357,000) which has been pledged with National Clearing Company of Pakistan Limited against exposure margins.

		Un Audited 31-12-2021	Audited 30-6-2021
	Note	Rupees	Rupees
<b>6 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>			
Tax deducted at source		<u>525,184</u>	<u>580,812</u>

#### 7 CASH AND BANK BALANCES

These were held as under:

In hand		8,314	499
Cash at bank			
Current Account			
		1,273,274	438,735
		32,951	32,595
Pertaining to brokerage house		1,306,225	471,330
Pertaining to clients			
		<u>1,314,539</u>	<u>471,829</u>

## 8 SHARE CAPITAL

Authorized

350,000 (2020 : 350,000) ordinary shares of Rs. 100 each

Issued, subscribed and paid up

350,000 (2020 : 350,000) ordinary shares of Rs. 100 each fully paid in cash

<u>35,000,000</u>	<u>35,000,000</u>
<u>35,000,000</u>	<u>35,000,000</u>

### 8.1 Pattern of Shareholding:

Categories of shareholders

Chief Executive

Azfar Manzoor

Director

Qaiser Sultana

Aamer Manzoor

Shareholder

Lubna Manzoor

Number of shares held		Number of shares held	
2021	2020	2021	2020
34%	34%	118,084	118,084
28%	28%	98,958	98,958
34%	34%	118,083	118,083
4%	4%	14,875	14,875
<u>100%</u>	<u>100%</u>	<u>350,000</u>	<u>350,000</u>

Un Audited  
31-12-2021

Audited  
30-6-2021

Note

Rupees

Rupees

## 9 LONG TERM LOAN FROM DIRECTOR

From related parties:

Mrs. Qaiser Sultana-Director

9.1	<u>5,000,000</u>	<u>5,000,000</u>
-----	------------------	------------------

9.1

This represents interest free and un-secured loan obtained from the Director of the company. The loan is sub-ordinated to all other debts of the Company. The loan is repayable after three years which would be subject to enough cash flows available with the company for repayment of this loan. Further, repayment may be deferred as mutually agreed between the parties.

## 10 DEFERRED TAXATION

Deferred credits/(debits) arising due to:

Alternative corporate taxes paid  
Brought forward losses

(89)	(89)
-	-
<u>(89)</u>	<u>(89)</u>

Balance as at July 01,  
Add: Charge for the year

-	-
(89)	(89)
<u>(89)</u>	<u>(89)</u>

## 11 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES

Accrued expenses

<u>9,295</u>	<u>122,844</u>
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## 12 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients  
Punjab workers welfare fund payable  
Other payables

32,139	31,614
184,242	170,684
50,000	2,250
<u>266,381</u>	<u>204,548</u>

12.1 The total value of securities pertaining to clients are Rs.49,498,304 (2020: Rs. 15,157,469) held in sub-accounts of the company. No security is pledged by client to the financial institutions(s).

12.2 Creditors for sale of shares on behalf of clients include the following amount due to related parties:

Name of related party	Basis of relationship	Note	Un Audited	Audited
			31-12-2021	30-6-2021
			Rupees	Rupees
Azfar Manzoor	Chief Executive		24,663	24,663
Aamer Manzoor	Director		5,497	5,497

### 13 LOAN FROM RELATED PARTY

Unsecured  
loan from Mr. Aamer Manzoor- Director

Balance as at July 01,  
Add: Loan received during the year

Less: Adjustment/repayment during the year

Note	Un Audited	Audited
	31-12-2021	30-6-2021
	Rupees	Rupees
13.1	1,502,184	1,502,184
	1,502,184	1,502,184
	100,000	-
	1,602,184	1,502,184
	-	-
	1,602,184	1,502,184

13.1 This represents interest free and un-secured loan obtained from director of the company to meet the working capital requirements of the company. The loan is payable on demand of the lender.

### 14 CONTINGENCIES AND COMMITMENTS

Contingencies and commitments are Rs. Nil (2020: Rs.nil)

### 15 DIRECT EXPENSES

Central Depository Company of Pakistan Ltd.

Note	Un Audited	Audited
	31-12-2021	30-6-2021
	Rupees	Rupees
	4,162	15,561
	4,162	15,561

### 16 OPERATING EXPENSES

Salaries and other benefit  
Postage, telephone and telegram  
Utility bills  
Travelling and conveyance  
Office expenses  
Printing and stationary  
Software maintenance  
Legal and professional  
Fee and subscription  
Entertainment  
Depreciation  
Amortisation  
Miscellaneous expenses

	353,000	589,000
	28,880	52,251
	120,024	156,717
	12,124	21,242
	9,229	99,455
	8,875	21,215
	-	78,050
	211,790	238,000
16.1	50,000	120,975
	12,053	35,352
1	9,792	18,446
2.2	7,500	3,750
	32,060	-
	855,327	1,434,453

16.1 The audit fee and remuneration for other services included in the financial statements is as follows:

Amln, Mudassar & Co.  
Chartered Accountants

Statutory audit  
Certification fee

Note	Un Audited	Audited
	31-12-2021	30-6-2021
	Rupees	Rupees
	50,000	57,750
	-	55,750
	<u>50,000</u>	<u>113,500</u>

**17 OTHER OPERATING EXPENSES**

Punjab workers welfare fund

13,558	80,395
<u>13,558</u>	<u>80,395</u>

**18 OTHER INCOME (LOSS)**

Income /(Loss) from financial assets

Unrealized gain/(loss) on remeasurement of investment  
at fair value through profit or loss

5	(325,283)	3,707,462
	<u>(325,283)</u>	<u>3,707,462</u>

**19 FINANCE COST**

Bank charges

1,612	7,097
<u>1,612</u>	<u>7,097</u>

**20 TAXATION**

Income tax:  
Current  
Prior  
Deferred

281,676	277,466
-	(51,959)
-	(89)
<u>281,676</u>	<u>225,418</u>

20.1

No numeric tax rate reconciliation is presented in these financial statements for the current and prior year as the company is either liable to pay tax under final tax regime or alternate corporate tax under section 113 of Income Tax Ordinance, 2001.

**21 EARNINGS PER SHARE-BASIC AND DILUTED**

Profit for the year- Rupees  
Weighted average number of ordinary shares  
outstanding during the year-Numbers  
Earning per share-Rupees

396,221	3,794,308
<u>350,000</u>	<u>350,000</u>
1.13	10.84

**22 NUMBER OF EMPLOYEES**

Total number of employees at the end of year  
Average number of employees during the year

Un Audited	Audited
31-12-2021	30-6-2021
( N u m b e r )	
3	3
<u>3</u>	<u>3</u>

## 23 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets and financial liabilities

#### Financial assets

#### Financial assets - available for sale

Long term investment

	Un Audited 31-12-2021	Audited 30-6-2021
	Rupees	Rupees
	<u>37,841,499</u>	<u>37,841,499</u>
Investment at fair value through profit or loss	<u>24,341,298</u>	<u>24,666,581</u>
<b>Loans and receivables</b>		
Long term deposits	605,000	605,000
Cash and bank balances	<u>1,314,539</u>	<u>471,829</u>
	<u>1,919,539</u>	<u>1,076,829</u>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost	9,295	122,844
Deposits, accrued liabilities and advances	32,139	31,614
Trade and other payables	<u>1,602,184</u>	<u>1,502,184</u>
Loan from related party	<u>1,643,618</u>	<u>1,656,642</u>

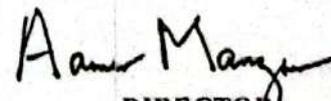
## 24 CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified wherever needed for the purpose of better presentation, however, there were no material rearrangements to report.

## 25 GENERAL

Figures have been rounded off to the nearest of rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR