Assurance Department

Khadim Ali Shah Bukhari Securities (Private) Limited

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2019

RSM Avais Hyder Liaquat Nauman
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INDEPENDENT AUDITOR'S REPORT

To the members of Khadim Ali Shah Bukhari Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of To the members of Khadim Ali Shah Bukhari Securities (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of other 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 other 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, 2019 and of the profit, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *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 / Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

RSM

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

RSM Avais Hyder Liaquat
Chartered Accountants
Karachi
Dated: 08 OCT 2019

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019	2018
		----------------Rupees----------------	
Non-current assets			
Property and equipment	5	18,301,678	18,216,066
Intangible assets	6	10,000,000	10,000,000
Security deposit	7	1,807,500	762,500
Long term investment	8	19,158,232	10,344,980
		49,267,410	39,323,546
Current assets			
Advances, accrued income and other receivables	9	7,281,159	5,060,248
Trade debtors	10	69,256,423	-
Exposure Deposits with NCCPL - considered good		26,800,000	100,000
Advance tax		1,859,390	369,883
Government treasury bills - at amortized cost		68,550,860	-
Short term investments	11	1,223,458	2,633,531
Cash and bank balances	12	28,014,511	27,455,228
		202,985,801	35,618,891
		252,253,211	74,942,437
Equity and liabilities			
Authorized share capital			
20,000,000(2018:2,000,000)ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed & paid up share capital	13	136,201,150	51,560,250
Advance against issue of shares		29,108,552	13,324,650
Share premium		27,512,160	-
Revaluation surplus on intangible asset		3,723,210	4,419,539
Unappropriated profits		(22,356,363)	(11,110,473)
		174,188,709	58,193,966
Non-current liabilities			
Deferred tax	14	4,213,141	-
Current liabilities			
Trade and other payables	15	73,851,361	16,748,471
Contingencies and commitments	16	-	-
Total equity and liabilities		252,253,211	74,942,437

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Muhammad Al Faisal Khwaja

Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------------Rupees--------------	
Operating Revenue	17	12,298,171	146,895
Capital (loss) / gain on sale of open ended mutual funds		(596,714)	50
Unrealised gain on remeasurement of investments at FVTPL		8,819,962	(212,328)
		20,521,419	(65,383)
Administrative and operating expenses	18	36,948,028	14,349,652
Finance cost		43,046	1,973
		(36,991,074)	(14,351,625)
Other income	19	9,379,397	1,193,142
Loss before taxation		(7,090,258)	(13,223,867)
Taxation	20	(4,155,632)	(190,328)
Loss for the year		(11,245,890)	(13,414,195)
Loss Per Share - basic and diluted	21	(0.64)	(2.60)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----------------Rupees----------------	
Loss after taxation		(11,245,890)	(13,414,195)
Other comprehensive income for the year			
Items that will not be subsequently reclassified to profit or loss			
Reversal of revaluation surplus on TRE Certificate		-	(5,000,000)
Deferred tax liability on revaluation of TRE Certificate		(696,329)	-
		(696,329)	(5,000,000)
Total comprehensive income		(11,942,219)	(18,414,195)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Muhammad Ali Fazal Khawaja

Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	---Rupees---	
Cash flows from operating activities		
Loss before taxation	(7,090,258)	(13,223,867)
Adjustments for:		
Depreciation	1,734,749	1,157,348
Provision for doubtful debts	1,000,000	-
Loss on sale of investments	596,714	-
Net Loss / (gain) in value of investment at FVTPL	(8,819,962)	212,328
Dividend income	(1,908,331)	(421,988)
Markup on margin deposits	(5,784,141)	(141)
Mark up on bank deposits	(32,881)	(316)
Markup on term finance certificates	(121,280)	(270,698)
Markup on government treasury bills	(1,532,764)	-
Finance cost	43,046	1,973
	(21,915,108)	(12,545,360)
Change in operating assets/Liabilities		
Advances & accrued income	(3,220,912)	(1,864,398)
Trade Debtors-Considered Good	(69,256,423)	-
Exposure Deposits with NCCPL-considered good	(26,700,000)	-
Accounts payable	57,102,892	16,622,941
	(63,989,551)	2,213,183
Finance cost paid	(43,046)	(1,973)
Income tax paid	(2,128,327)	(156,252)
Net cash (used in) / generated from operating activities	(66,160,924)	2,054,958
Cash flow from investing activities		
Net proceeds from Investment in TFC	2,633,531	1,875,000
Net investment in Open Ended Funds	(1,813,461)	-
Net investment in Government Treasury Bills	(68,550,860)	-
Purchase of fixed assets	(1,820,361)	(3,032,152)
Dividend received	1,908,331	421,988
Markup received on margin deposits	5,784,141	141
Mark up received on bank deposits	32,881	316
Markup received on term finance certificates	121,280	270,698
Markup received on government treasury bills	1,532,764	-
Net cash generated from / (used in) investing activities	(60,171,755)	(464,010)
Cash flow from financing activities		
Long term deposit	(1,045,000)	(462,500)
Procceds for issuance of shares	112,153,060	-
Advance against issuance of shares-received	15,783,902	23,000,000
Net cash (used in) / generated from financing activities	126,891,962	22,537,500
Net decrease in cash and cash equivalent (A+B+C)	559,283	24,128,448
Cash and cash equivalent at the beginning of the year	27,455,228	3,326,780
Cash and cash equivalent at the end of the year	28,014,511	27,455,228

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Muhammad A. Faisal Khanzai

Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	Advance against Issue of shares	Share premium	Fair value reserve on available for sale Investment	Revaluation surplus on intangible asset net off tax	Unappropriated profits	Total
	-----Rupees-----						
Balance as at June 30, 2017	17,000,000	24,884,900	-	364,961	9,419,539	1,378,280	53,047,680
Advance against Issue of shares	-	23,000,000	-	-	-	-	23,000,000
Fair value reserve on available for sale Investment	-	-	-	560,480	-	-	560,480
Impairment on Intangible asset	-	-	-	-	(5,000,000)	-	(5,000,000)
Shares allotment during the year against cash	34,560,250	(34,560,250)	-	-	-	-	-
Profit for the year	-	-	-	-	-	(13,414,195)	(13,414,195)
Balance as at June 30, 2018	51,560,250	13,324,650	-	925,441	4,419,539	(12,035,914)	58,193,966
Impact of IFRS-9 (transfer of gain held through other comprehensive income to unappropriated profit)	-	-	-	(925,441)	-	925,441	-
Balance as at July 1, 2018	51,560,250	13,324,650	-	-	4,419,539	(11,110,473)	58,193,966
Advance against Issue of shares	-	127,936,962	-	-	-	-	127,936,962
Shares allotment during the year against cash	84,640,900	(112,153,060)	27,512,160	-	-	-	-
Effect of deferred tax	-	-	-	-	(696,329)	-	(696,329)
Loss for the year	-	-		-	-	(11,245,890)	(11,245,890)
Balance as at June 30, 2019	136,201,150	29,108,552	27,512,160	-	3,723,210	(22,356,363)	174,188,709

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

1 STATUS AND NATURE OF BUSINESS

Khadim Ali Shah Bukhari Securities (Private) Limited (the Company) was incorporated in Pakistan on April 25, 2013 under the repealed repealed Companies Ordinance, 1984 (now the Companies Act, 2018). The registered office of the Company is situated at room 101 and 105, 1st Floor, New PSX Building, I.I. Chundrigar Road, Karachi. The main office of the Company is located at 16-C, Bukhari Tower, Main Khyaban-e-Bukhari, DHA, Phase VI, Karachi.

The Company's is principally engaged in the business of dealing of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research, advisory services and dealing in leverage products of the National Clearing Company of Pakistan Limited (NCCPL).

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S 'FINANCIAL POSITION AND FINANCIAL PERFORMANCE

During the current year, economic and political scenarios' deterioration had immense adverse effects on the performance of the equity bourse, which has resulted in significant decline in the equity brokerage. This is reflected in statement of Profit & Loss account.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Basis of preparation

3.1.1 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 Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017;

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

3.1.2 Critical accounting estimates and judgments

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. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) Income taxes - notes 13 and 19
(ii) Impairment of financial assets

Estimates and judgments are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgments made by the company's management in applying the accounting policies that would have significant effect on the amounts recognized in the financial statements except as stated below.

3.1.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of changes laid down by these standards are detailed in note 4.

b) **Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

c) **Standards, interpretations and amendments to published approved accounting standards that are not yet effective but**

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 01, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by the standard on its financial statements.

3.2 **Overall valuation policy**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

3.3 **Property and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any. Normal repairs and maintenance are charged to profit and loss account, as and when incurred.

Subsequent cost are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains or losses on disposal of property and equipment, if any, are taken to profit and loss account currently.

Depreciation is charged to profit and loss account by applying the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company at the rates specified in note 15. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions up to the month immediately preceding the month of deletion.

The Company reviews the useful lives and values of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment (if any). It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation.

3.4 **Financial Instruments - Initial recognition and subsequent measurement**

Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost or cost as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

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

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) **Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

ii) **Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) **Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables
- other short term receivables; and
- receivables from PMEX and NCCPL

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 180 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

Financial assets - policy upto June 30, 2018

Trade debts and other receivables were recognized initially at fair value plus directly attributable, if any and subsequently, at amortized cost less impairment, if any. A provision for impairment of trade and other receivable was established when there is an objective evidence that the Company will not be able to collect all amounts due according to terms of receivables. Trade receivable considered irrecoverable were written off.

3.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal 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 Intangible assets

This represents Trading Rights Entitlement (TRE) Certificate. TRE Certificate has an indefinite useful life and is stated at the carrying value less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of their recoverable amounts, and where the carrying value exceeds the estimated recoverable amount, it written down to their estimated recoverable amount.

3.7 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, current accounts held with various banks and deposits placed in profit and loss sharing accounts.

3.9 Revenue recognition

Brokerage income, advisory fees and commission are recognized as and when such services are provided.

Capital gains and losses on sale of investments are included in the profit and loss account in the period in which they arise.

Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

Unrealized gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.

Mark-up income on profit and loss sharing basis bank accounts is recognized on a time proportion basis that takes into account the effective yield.

3.10 Foreign currency transactions

Transactions denominated in foreign currencies are translated to Pak Rupees at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies at balance sheet date are translated into Pak Rupees at exchange rates ruling on that date. Exchange differences are included in the profit and loss account currently.

3.11 Provisions

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

3.12 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.13 Trade creditors and other liabilities

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

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3.14 **Dividend and appropriations**

Dividend and appropriations to / from reserves are recognized in the period in which these are approved.

3.15 **Income tax**

Current

The charge for current taxation is based on the taxable income at the rate of taxation after taking into account tax credits, rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary difference arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is charged to or credited in the statement of profit or loss and other comprehensive income.

3.16 **Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, 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, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Classification and valuation of investments (refer note 3.4)

Estimated useful lives of property and equipment (refer notes 3.3 and 5)

Estimated useful lives of intangible assets (refer note 3.6 and 6)

Income taxes (refer notes 3.15, 13 and 19)

4 **CHANGE IN ACCOUNTING POLICIES**

i) **IFRS 9 – Financial Instruments**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 from July 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The new accounting policies are set out in note 3.4 above. In accordance with the transitional provisions in IFRS 9, corresponding figures have not been restated.

Classifications and remeasurement

On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from these reclassifications and adjustments are as follows:

Financial assets - July 1, 2018	Note	FVTPL	FVOCI (available for sale 2018)	Long term investment	Loans and receivables	Amortized cost
		-Rupees-				
Loans, advances, deposits and other receivables		-	-	-	(2,109,686)	2,109,686
Receivables from customers	a and b	-	-	-	-	-
Investments		10,344,980	(10,344,980)	-	-	-
Cash and bank balances		-	-	-	27,455,228	(27,455,228)
		10,344,980	(10,344,980)	-	25,345,542	(25,345,542)

(a) IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'Expected Credit Loss' (ECL) model. The Company has determined that the application of IFRS 9's impairment requirement at July 1, 2018 results in no additional allowance for trade receivables.

(b) the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements which require impairment of financial assets to be presented in a separate line item in the profit and loss account. However, during the year ended June 30, 2018 there was no provision for doubtful debts that could be reclassified to 'impairment loss on trade receivables' in the profit and loss account.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities as at July 1, 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original amount under IAS 39	New carrying amount under IFRS 9
			------------Rupees----------	
Financial assets				
Cash and bank balances	Loans and receivables	Amortized cost	27,455,228	27,455,228
Loans, advances, deposits and other receivables	Loans and receivables	Amortized cost	2,109,686	2,109,686
Investments	FVOCI / FVTPL	FVTPL	12,978,511	12,978,511
Financial liabilities				
Trade and other liabilities	Other financial liabilities	Other financial liabilities	16,748,471	16,748,471

There is no impact on the Company's statement of changes in equity as a result of the above changes.

(ii) IFRS 15 - Revenue from contracts with customers

The Company has adopted IFRS 15 from July 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. However, in accordance with the transition provisions in IFRS 15, there is no impact on the Company that require retrospective change and restatement of comparatives for the year ended June 30, 2018.

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5 PROPERTY AND EQUIPMENT

Particular	COST				Rate	ACCUMULATED DEPRECIATION				WDV
	As at 01 July 2018	Addition	Disposals	As at 30 June 2019		As at 01 July 2018	For the year	Disposals	As at 30 June 2019	As at 30 June 2019
Computers & Accessories	2,622,084	367,400	-	2,989,484	20%	607,421	565,413	-	1,172,834	1,816,650
Property (PSX Rooms) - Freehold	16,000,000	-	-	16,000,000	5%	800,000	800,005	-	1,600,005	14,399,995
Office Equipment	617,425	123,700	-	741,125	20%	43,894	138,516	-	182,410	558,715
Furniture and Fixture	453,147	305,461	-	758,608	10%	25,275	65,862	-	91,137	667,471
Motor Vehicles - Owned	-	1,023,800	-	1,023,800	20%	-	164,953	-	164,953	858,847
As at June 30, 2019	19,692,656	1,820,361	-	21,513,017		1,476,590	1,734,749	-	3,211,339	18,301,678

Particular	COST				Rate	ACCUMULATED DEPRECIATION				WDV
	As at 01 July 2017	Addition	Disposals	As at 30 June 2018		As at 01 July 2017	For the year	Disposals	As at 30 June 2018	As at 30 June 2018
Computers & Accessories	660,504	1,961,580	-	2,622,084	20%	319,242	288,179	-	607,421	2,014,663
Property (PSX Rooms) - Freehold	16,000,000	-	-	16,000,000	5%	-	800,000	-	800,000	15,200,000
Office Equipment	-	617,425	-	617,425	20%	-	43,894	-	43,894	573,531
Furniture and Fixture	-	453,147	-	453,147	10%	-	25,275	-	25,275	427,872
As at June 30, 2018	16,660,504	3,032,152	-	19,692,656		319,242	1,157,348	-	1,476,590	18,216,066

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			2019	2018
			------------Rupees------------	
6	**INTANGIBLE ASSET**			
	Trading Right Entitlement (TRE) Certificate PSX-Cost	6.1	5,580,461	5,580,461
	Revaluation Surplus		9,419,539	9,419,539
	Reversal of revaluation surplus		(5,000,000)	(5,000,000)
	Revalued amount		10,000,000	10,000,000

6.1 This represents certificate issued by Pakistan Stock Exchange (PSX) formerly Lahore Stock Exchange (LSE), in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with regulation 6 of Stock Exchanges (Corporatization, Demutualization and Integration) Regulation, 2012 to members of stock exchanges of Pakistan for their trading rights entitlement as brokers.

In pursuance of above laws, the TRE certificate of Mr. Nasir Ali Shah Bukhari was transferred to the company on May 06, 2013. This certificate was only one time saleable as per these laws therefore, market value of the certificate cannot be ascertained as it cannot be traded in the market further. The certificate/ Membership right has indefinite life and value in use, and it is certain that economic benefits will flow to the company in future. The membership right has been recorded at value determined by a valuator having bearing its name on State Bank of Pakistan's (SBP) panel of Approved Values.

6.2 The fair value of TREC can not be determined , therefore, the to calculate the recoverable amount the company has used the method of value in use for the purposes of the valuation of TREC .The certificate has lien marked in favor of Pakistan Stock Exchange Limited against base minimum capital requirements.

6.3 The cost of membership card of exchange was allocated between TREC certificate and LSE Financial Services Limited(LSE) on the basis of initial notional value. The initial value was Rs.5 million and Rs.8,439,750 for PSX TREC and LSE shares respectively.

			2019	2018
			------------Rupees------------	
7	**SECURITY DEPOSITS**			
	Deposits with:			
	- Central Depository Company of Pakistan Limited-Considered good		100,000	100,000
	- National Clearing Company of Pakistan Limited-Considered good		1,400,000	200,000
	- Others-Considered good	7.1	307,500	462,500
			1,807,500	762,500

7.1 This security deposit is given to landlord of Bukhari Tower against rent.

			2019	2018
8	**LONG TERM INVESTMENT**			
	At Fair Value Through Profit or Loss			
	Carrying amount as July 1		10,344,980	9,419,539
	Unrealised gain on investment during the year		8,813,252	925,441
	Carrying amount as July 1		19,158,232	10,344,980
	Number of shares @ Rs.10 each		843,975	843,975

8.1 The cost of membership card of exchange was allocated between TREC certificate and LSE Financial Services Limited(LSE) on the basis of their initial notional values. The initial value was Rs.5 million and Rs.8,494,098 for PSX TREC and LSE shares respectively.

8.2 These represents investment in LSE Financial Services Limited are deposited with Pakistan Stock Exchange Limited against base minimum capital requirement requirement of the Exchange. These shares were received to the company in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with regulation 6 of Stock Exchanges (Corporatization, Demutualization and Integration) Regulation, 2012 to members of stock exchanges.

8.3 Net assets value per share of LSE Financial Services Limited is Rs.21.70 as per its audited financial statements as at June 30, 2018 (2018:Rs.12.26)

			2019	2018
9	**ADVANCES, ACCRUED INCOME AND OTHER RECEIVABLES**			
	Advance for Software-considered good		3,335,000	2,755,000
	Other Receivables-considered good		-	1,168,000
	Accrued profit -considered good		1,783,625	49,186
	Prepaid Expenses-considered good		1,345,570	1,058,062
	Mark-up on governament treasury bills		809,464	-
	Staff Loan-considered good		7,500	30,000
			7,281,159	5,060,248
	Other Receivables-considered doubtful	9.1	1,000,000	-
			8,281,159	5,060,248
	Provision for doubtful debts	9.3	(1,000,000)	-
			7,281,159	5,060,248

9.1 The loan provided to Humanitas Education, a related party, for meeting working capital requirements in the financial year 2017.

			2019	2018
			------------Rupees------------	
9.2	**Reconciliation of carrying amount**			
	Carrying amount as at July 1		1,000,000	1,000,000
	Loan disbursed		-	-
	Loan repayment		-	-
	Provision recorded during the period		1,000,000	
	Carrying amount as at June 30		1,000,000	1,000,000
9.3	**Movement in provision for doubtful debts**			
	Carrying amount as at July 1		-	-
	Provision recorded during the period		1,000,000	-
	Reversal during the period		-	-
	Carrying amount as at June 30		1,000,000	-
10	TRADE DEBTORS			
	Considered good			
	- trade debts	10.1	69,256,423	-
10.1	Ageing of trade debtors			
	Not past due		68,484,239	-
	Past due but not impaired			
	- Past due 15 - 30 days		772,184	-
			69,256,423	-
11	SHORT TERM INVESTMENTS			
	At Fair Value Through Profit or Loss			
	- Investment in TFCs		-	2,633,531
	-Open Ended Money Market Fund		1,223,458	-
			1,223,458	2,633,531
12	CASH AND BANK BALANCES			
	Cash in hand		8,349	753
	Cash at banks-current accounts	12.1	27,048,784	27,442,175
	Cash at banks-saving accounts	12.2	957,378	12,301
			28,014,511	27,455,228

12.1 This include balance of client account amounting Rupees 26,785,410 (2018:Rs.16,368,982).

12.2 These carry markup rate ranging from 7% to 8.5% (2018: 4% to 5.5%) per annum.

13 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2019	2018			2019	2018
Number of shares				------------Rupees------------	
10,520,115	2,056,025	Ordinary Shares of Rs. 10 each fully paid cash	13.1	105,201,150	20,560,250
3,100,000	3,100,000	Ordinary Shares of Rs. 10 each issued against property		31,000,000	31,000,000
13,620,115	5,156,025			136,201,150	51,560,250

13.1 During the year the board of directors approved the allotment of 7,317,750 shares at par value of Rs. 10 each and 1,146,340 shares for a premium of Rs. 24 per share against cash.

13.4 Pattern of shareholding

	Number of shares		Percentage of holding	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Mr.Nasir Ali Shah	-	3,988,489	0.0%	77.4%
Mr.Mahmood Ali	3,550,000	1,167,535	26.1%	22.6%
Mr.Muhammad Ali Farid Khwaja	1	1	0.0%	0.0%
Mr.Mubhasira Bukhari Khwaja	4,788,489	-	35.2%	0.0%
M/s Oxford Frontier Capital	5,281,625	-	38.8%	0.0%
	13,620,115	5,156,025		

14	DEFERRED TAX		2019	2018
			------------Rupees------------	
	Credit / (Debit) balances arising on account of:			
	- accelrated depreciation		878,015	-
	- revaluation of intagibles		696,329	-
	- unrealised gain on investments		2,824,221	-
	- capital loss		(185,424)	-
			4,213,141	-

During the year, the Company had deductible temporary difference of Rs. 6,903,671 and minimum tax paid of Rs. 123,458 on which deferred tax asset of Rs. 2,125,523 arises. However, based on the projections of the management the Company will not be able to generate enough profits to recover the deferred tax asset. Hence, no tax asset is recorded on these items.

15	TRADE AND OTHER PAYABLES		2019	2018
			------------Rupees------------	
	Client balance payables		28,614,479	16,284,464
	Net payable to National Clearing Company of Pakistan		19,519,183	-
	Accrued expenses	15.1	665,524	442,544
	Sindh sales tax		76,991	18,549
	Other payables		24,975,184	2,914
			73,851,361	16,748,471
15.1	Accrued expenses			
	Auditor's remuneration		319,800	85,000
	Other expenses		345,724	357,544
			665,524	442,544

16 CONTINGENCIES AND COMMITMENT

16.1 Contingencies

There were no contingencies at the year end.

16.2 Commitment

There is an agreement for the purchase of share trading software amounting Rs. 5,000,000/- with M/s Softech System (Private) Limited. An advance of Rs.3,255,000(2018:Rs.2,755,000) has been paid against purchase of software till reporting date.

17	OPERATING REVENUE		2019	2018
			------------Rupees------------	
	Equity Brokerage Income		13,896,933	165,991
	Less : sales tax		(1,598,762)	(19,096)
			12,298,171	146,895
18	ADMINISTRATIVE EXPENSES			
	Salaries, allowances and benefits	18.1	23,228,563	6,750,333
	Rent, rates and taxes		1,917,526	1,056,000
	Sub lease registration fee for PSX offices		-	260,000
	Repair and Maintenance		497,049	814,794
	Telephone and bandwidth charges		1,031,210	234,515
	CDC and Clearing house charges		1,272,767	155,713
	Exchange Recurring charges		631,301	338,300
	SECP Filing and Trading Fee		125,885	732,082
	Fuel, power and utilities		692,795	365,843
	Traveling and conveyance		1,073,652	482,339
	Printing & Stationery		152,245	160,310
	Postage and courier charges		94,436	15,259
	Legal and professional charges		1,193,875	92,795
	Auditor's remuneration	18.2	665,240	321,250
	Fee subscription & charges		404,920	201,000
	Depreciation expenses		1,734,748	1,157,347
	Receivable commission income written off		-	304,986
	Office Expenses		1,037,858	490,082
	Computer expenses		84,740	190,035
	Provision for doubtful debts		1,000,000	-
	Entertainment		109,218	12,600
	Zakat deductions		-	14,069
	Others		-	200,000
			36,948,028	14,349,652

18.1 This include salaries and allowance amounting Rs.2,750,000/(2018:Rs.1,433,333)-paid to the Chief Executive.

		2019	2018
		------------Rupees------------	
18.2	Statutory audit	162,000	35,000
	Other certification	412,240	167,250
	Tax advisory and related fee	72,800	108,000
	Out of pocket expenses	18,200	11,000
		665,240	321,250

18.3 Number of Employees

The detail of number of employees are as follows:

	2019	2018
Average number of employees during the year	18	6
Number of employees as at June 30, 2019	20	6

19 OTHER INCOME

	2019	2018
Market Making Fee	-	500,000
Profit on term finance certificates - net	121,280	270,698
Profit on Government Treasury Bills	1,532,764	
Dividend Income on Shares	421,988	421,988
Dividend Income on Mutual Funds	1,486,343	-
Profit from NCCPL against margin deposits	5,784,141	141
Profit on bank deposit	32,881	316
	9,379,397	1,193,142

20 TAXATION

	2019	2018
Current Year	638,820	108,526
Prior year	-	81,802
Deferred Taxation	3,516,812	
	4,155,632	190,328

20.1 Relatinship between tax expense and accounting profit

	2019	2018
	------------Rupees------------	
Loss before income tax	(7,090,258)	(13,414,195)
Tax at the applicable rate of 29% (June 30, 2018: 30%)	-	-
Effect of final tax regime and separate block income	4,045,942	108,526
Effect of minimum tax	109,690	-
Effect of amount relating to prior year	-	81,802
	4,155,632	190,328

21 LOSS PER SHARE - BASIC AND DILUTED

21.1 Basic loss per share

	2019	2018
Profit after taxation attributable to ordinary shareholders	(7,090,258)	(13,414,195)
Weighted average number of ordinary shares	11,051,677	5,156,025
Loss per share	(0.64)	(2.60)

21.2 Diluted loss per share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2019 and June 30, 2018 which could have any effect on the earnings per share.

22 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees)					
Managerial remuneration	2,500,000	1,303,030	-	-	7,918,368	1,557,879
Medical	250,000	130,303	-	-	935,072	155,788
Commission	-	-	-	-	130,214	-
	2,750,000	1,433,333	-	-	8,983,654	1,713,667
Number of persons	1	1	1	1	4	1

23 RELATED PARTY TRANSACTIONS

23.1 Following are the names of associated companies, undertaking and other related parties with whom the Company had entered into transactions or had agreements and arrangements in place during the year.

Names of related parties	Direct shareholding	Relationship
Mahmood Ali Shah Bukhari	26.1%	Key Management personnel
Carnama	N/A	Common Directorship
Oxford Frontier Capital Limited	38.8%	Associate Company
Muhammad Ali Farid Khwaja	N/A	Key Management Personnel

23.2 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2019	2018
	Rupees	
Common directorship		
Car Rental Payment	616,897	-
Associate Company		
Advance against issue of shares received	15,108,552	13,324,650
Key Management Personnel		
Salaries and allowances of the Chief Executive	2,750,000	1,433,333
Brokerage Income earned	62,487	36,502
Client balance payables as on June 30	20,177	5,093,791

24 CAPITAL ADEQUACY LEVEL

Total Assets	252,253,211	74,942,437
Less: Total liabilities	(73,851,361)	(16,748,471)
Less: Adjustment for notional value of TREC of Pakistan Stock Exchange Limited	(7,500,000)	(7,500,000)
Less:Revalutioan Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	170,901,850	50,693,965

24.1 Notional value of TREC Certificate held as at year ended June 30,2019 are determined by Pakistan Stock Exchange Limited has been considered.

24.2 As per regulation 6.8.3 of Central Depository Company of Pakistan Regulation a participant shall disclose its capital adequacy.

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the 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

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

25.1 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. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affect Company's or counter parties whose aggregate credit exposure is significant in relation to the Company 's total credit exposure. Credit risk of the Company arises principally from the receivable from customers, long term deposits, advances, receivables from related parties, other receivables, short term investments and bank balances.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	----Rupees----	
Security deposit	1,807,500	762,500
Trade debtors	69,256,423	-
Accrued income and other receivables	3,600,589	1,247,186
Government treasury bills	68,550,860	-
Bank balances	28,006,162	27,454,476
	171,221,534	29,464,162

The Company is not exposed to any significant risk as at June 30, 2019.

The credit quality of the Company's banks is A1+.

The Company continuously monitors its cash flows and recovers its balance outstanding to the credit of related parties (refer note 21) as and when need arises. The financial assets of the Company other than bank balances are not past due over a period of one year. Based on past experience consideration of financial position, past track records and recovery, the management considers that these balances are neither past due nor impaired.

25.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements.

	June 30, 2019					
		Maturities				
	Contractual cash flows	Less than six months	Six months one year	One year to two years	Two years to five years	More than five years
	(Rupees)					
Non-derivative financial liabilities						
Trade and other liabilities	(73,721,561)	(73,721,561)	-	-	-	-

	June 30, 2018					
		Maturities				
	Contractual cash flows	Less than six months	Six months to one year	One year to two years	Two years to five years	More than five years
	(Rupees)					
Non-derivative financial liabilities						
Trade and other liabilities	(16,748,471)	(16,748,471)	-	-	-	-

25.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk, interest rate risk and equity price risk.

25.4 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. As at year end, there is no exposure in foreign currency.

25.5 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. Majority of the interest rate exposure arises from running finance facilities from banks, balances held in profit and loss sharing accounts with reputable banks and liabilities against assets subject to finance lease under musharaka agreement. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is:

	Effective Interest Rate		Carrying Amount	
	2019	2018	2019	2018
	(Percentage)		(Rupees)	
Fixed rate instruments				
Financial assets				
Government Treasury Bills	11%to 12.65	0%	68,550,860	-
Term Finance certificates	0%	8.25% to 10.76%	-	2,633,531
Variable rate instruments				
Financial assets				
Bank balances	7% - 8.5%	4% - 5.5%	28,006,162	27,454,476

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rate at the reporting date would not have affected the after tax profit of the Company.

Sensitivity analysis for variable rate instruments

The Company is exposed to cash flow interest rate risk in respect of its liabilities against assets subject to finance lease and short term running finance as those are floating rate instruments. In case 100 basis points (bp) increase / decrease in interest rates at year end, the net income and equity would have lower / higher by amounting to Rs. 280,062 (June 30, 2018: Rs. 274,545).

Equity price risk

Equity price risk is the risk of changes in the fair value of equity securities as the result of changes in the value of individual shares. The equity price risk exposure arises from the Company's investments in equity instruments of various companies. This arises from investments held by the Company for which prices in the future are uncertain. The Company policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines. The Management monitors the fluctuations of prices of equity securities on regular basis.

	2019	2018
	--------------Rupees---------------	
- Units of mutual fund	1,223,458	-

Sensitivity analysis

A five percent movement in prices of the equity securities will increase in the value of the investments by Rs. 61,173 (June 30, 2018: s. nil) and the corresponding decrease in the profit and loss account by Rs.61,173 million (June 30, 2018: Rs.nil).

25.6 Fair values of financial assets and liabilities

The table below analysis financial instruments carried at fair value. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	---------------------- (Rupees) ----------------------			
As at June 30, 2019				
At fair value	69,774,318	18,314,257	-	88,088,575
As at June 30, 2018				
At fair value	2,633,531	10,344,980	-	12,978,511

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, whenever considered necessary, the effects of which are not material.

27 GENERAL

27.1 Figures have been rounded off to nearest rupee.

27.2 Notice offering new shares to be sent to the members for issue of right shares on May 17,2019 for new 1,294,118/shares at a premium of Rs.24 per shares. The Company received amount of Rs.29,096,980/- against the said issue as at June 30,2019.

27.3 These financial statements have been authorized for issue by the board of directors of the company in its meeting held on 08 OCT 2019.

Chief Executive Officer

Director