

**OPTIMUS CAPITAL
MANAGEMENT (PRIVATE)
LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE
30, 2021**

***RIAZ AHMAD
SAQIB
GOHAR***

Chartered Accountants

Independent Auditor's Report to the Members of Optimus Capital Management (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Optimus Capital Management (Private) Limited (the Company), which comprise of the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the income, the 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the information in the Directors' Report but does not include the financial statements and our auditor's report thereon.

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

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

lra

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.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Kamal Gohar.

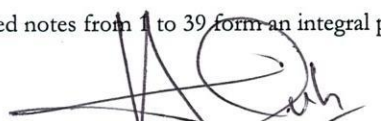

Chartered Accountants

Karachi: 04 OCT 2021

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	30,181,874	22,585,545
Right of use asset	5	14,470,342	22,376,708
Intangible assets	6	300,005	354,587
Long-term deposits	7	10,902,100	14,941,100
Long-term investment	8	24,121,438	10,703,821
Deferred tax asset - net	9	-	220,929
		<u>79,975,759</u>	<u>71,182,690</u>
CURRENT ASSETS			
Short term investment	10	50,450,081	-
Trade debts - unsecured, considered good	11	8,782,155	10,212,240
Advances	12	2,764,085	1,053,671
Deposits and prepayments	13	133,728,980	137,274,292
Other receivables	14	26,686,162	15,976,358
Due from related parties	15	16,240,056	19,849,579
Advance tax - net		20,257,936	27,307,693
Cash and bank balances	16	72,947,956	230,281,908
		<u>331,857,411</u>	<u>441,955,741</u>
TOTAL ASSETS		<u><u>411,833,170</u></u>	<u><u>513,138,431</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
1,000,000 (2020: 1,000,000) ordinary shares of Rs.100 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
1,000,000 (2020: 1,000,000) ordinary shares of Rs.100 each	19	100,000,000	100,000,000
RESERVES			
Revenue reserves		<u>238,956,419</u>	<u>206,260,153</u>
		<u>338,956,419</u>	<u>306,260,153</u>
NON CURRENT LIABILITIES			
Deferred tax liability - net	9	2,511,676	-
Lease liability	20	<u>11,550,564</u>	<u>20,498,819</u>
		<u>14,062,240</u>	<u>20,498,819</u>
CURRENT LIABILITIES			
Trade creditors		<u>45,187,714</u>	<u>179,250,841</u>
Current portion of lease liability	20	5,643,758	4,545,759
Accrued liabilities	21	3,981,478	2,023,134
Other liabilities	22	<u>4,001,561</u>	<u>559,725</u>
		<u>58,814,511</u>	<u>186,379,459</u>
CONTINGENCIES AND COMMITMENTS			
	23	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>411,833,170</u></u>	<u><u>513,138,431</u></u>

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
INCOME			
Operating revenues	24	143,619,015	74,810,984
Gain on sale of investments - net		139,190	2,842,539
		143,758,205	77,653,523
EXPENDITURES			
Administrative and general expenses	25	(117,116,999)	(100,559,032)
		26,641,206	(22,905,509)
Financial income		8,662,439	24,733,800
Other income - net	26	2,012,640	1,951,710
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net		1,877,054	-
Financial charges	27	(2,997,454)	(3,725,186)
Profit before taxation		36,195,885	54,815
Taxation	28	(14,856,904)	(5,974,308)
Profit / (loss) after taxation		21,338,981	(5,919,493)
Earnings per share / (Loss) - basic and diluted	29	21.34	(5.92)

The annexed notes from 1 to 39 form an integral part of these financial statements.

ksy


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Profit / (loss) for the year	21,338,981	(5,919,493)
Other comprehensive loss - net of tax:		
<i>Item that may be reclassified subsequently to profit or loss</i>	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Income / (Loss) on remeasurement of investment classified as 'FVOCI'	13,417,617	(3,351,700)
Less: impact of deferred tax	(2,060,332)	-
	11,357,285	(3,351,700)
Total comprehensive income / (loss) for the year	32,696,266	(9,271,193)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Handwritten mark

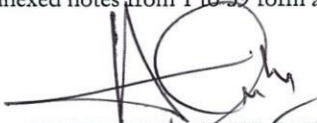

 CHIEF EXECUTIVE OFFICER


 DIRECTOR

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxation		36,195,885	54,815
Adjustments for:			
Depreciation	4.1 & 5	9,705,793	9,845,589
Loss / (gain) on disposal of fixed assets	26	12,319	(788,117)
Amortization	6	54,582	557,748
Gain on remeasurement of investment		(1,877,054)	-
Gain on lease modification		(1,085,833)	-
Financial charges	27	2,997,454	3,725,186
Profit before working capital changes		46,003,146	13,395,221
Changes in working capital			
(Increase) / decrease in current assets			
Trade debts		1,430,085	(5,904,195)
Advances		(1,710,414)	1,185,202
Short term investment		-	18,448,482
Deposits & prepayments		3,545,312	(32,314,510)
Other receivables		(10,709,804)	(9,997,740)
Due from related parties		3,609,523	(4,212,242)
		(3,835,298)	(32,795,003)
Increase / (decrease) in current liabilities			
Trade creditors		(134,063,127)	60,168,555
Accrued liabilities		1,958,344	(1,072,555)
Other liabilities		3,441,836	316,964
		(128,662,947)	59,412,964
Cash generated from/(used in) operations		(86,495,099)	40,013,182
Income tax paid		(7,134,874)	(5,568,721)
Financial charges paid		(81,890)	(51,493)
Net cash generated from/(used in) operating activities		(93,711,863)	34,392,968
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(17,462,072)	(13,134,748)
Proceeds from disposal of fixed assets		5,574,009	1,551,681
Long term deposits		4,039,000	(1,903,600)
Purchase of short term investments		(48,573,026)	-
Net cash used in investing activities		(56,422,089)	(13,486,667)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rental paid		(7,200,000)	(6,600,000)
Net cash used in financing activities		(7,200,000)	(6,600,000)
Net increase / (decrease) in cash and cash equivalents		(157,333,952)	14,306,301
Cash and cash equivalents at the beginning of the year		230,281,908	215,975,607
Cash and cash equivalents at the end of the year	16	72,947,956	230,281,908

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Revenue reserve			Total
		Un-appropriated profit	Gain on remeasurement equity investments classified as 'FVOCI'	Total	
----- Rupees -----					
Balance as at June 30, 2019	100,000,000	211,861,719	3,669,627	215,531,346	315,531,346
Loss for the year	-	(5,919,493)	-	(5,919,493)	(5,919,493)
Other comprehensive loss	-	-	(3,351,700)	(3,351,700)	(3,351,700)
	-	(5,919,493)	(3,351,700)	(9,271,193)	(9,271,193)
Balance as at June 30, 2020	100,000,000	205,942,226	317,927	206,260,153	306,260,153
Profit for the year	-	21,338,981	-	21,338,981	21,338,981
Other comprehensive income	-	-	11,357,285	11,357,285	11,357,285
	-	21,338,981	11,357,285	32,696,266	32,696,266
Balance as at June 30, 2021	100,000,000	227,281,207	11,675,212	238,956,419	338,956,419

The annexed notes from 1 to 39 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Optimus Capital Management (Private) Limited (the Company) was incorporated under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on March 18, 2004 as a Single Member Private Limited Company vide Incorporation Certificate No. 13358 / 20040302. The company was subsequently converted from single member company to multi member private company with effect from October 05, 2005. The company is a corporate member of Pakistan Stock Exchange Limited (PSX). The principal activities of the company are business of brokerage, sale and purchase of listed securities, etc. The registered office of the Company is relocated to 13-C stadium lane 2, DHA Phase V, Karachi from previous location at D 71/1, Clifton, Block 2, KDA Scheme No. 5, Karachi. The company is a subsidiary of Optimus Holdings (Private) Limited which holds 100% shares in the company.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements of the Company has been prepared in accordance with accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards(IASB) as notified under the Companies Act, 2017 (the act).
- Provisions and directives issued under the Companies Act, 2017.

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

2.2 Basis of Measurement

These financial statements have been prepared on the basis of historical cost convention, except otherwise stated in respective policy notes, without any adjustment to the effect of inflation or currency values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee (PKR) - rounded off to the nearest rupee, which is the functional and presentation currency of the Company.

654

2.4 Key judgments and estimates

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment - **Note 3.1 & 4.**
- Useful lives, residual values and amortization method of intangible assets - **Note 3.2 & 6.**
- Estimation of provisions - **Note 3.7**
- Estimation of contingent liabilities - **Note 3.8 & 23**

- Current income tax expense, provision for current tax and recognition of deferred liability - **Note 3.6 & 28.**

2.5 Standards, amendments and interpretations adopted during the year

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

<u>Standards or Interpretation</u>	<u>Effective Date (Accounting periods beginning on or after)</u>
IFRS 3 Amended by Reference to the Conceptual Framework.	January 1, 2022
IFRS 4 Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9.	January 1, 2023
IFRS 9 Amended by Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).	January 1, 2022

ksn

<u>Standards or Interpretation</u>	<u>Effective Date (Accounting periods beginning on or after)</u>
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet finalized
IFRS 16 Amended by Annual Improvements to IFRS Standards 2018–2020 (lease incentives illustrative example).	January 1, 2022
IAS 1 Amended by Classification of Liabilities as Current or Non-current.	January 1, 2023
IAS 16 Amended by Property, Plant and Equipment — Proceeds before Intended Use.	January 1, 2022
IAS 37 Amended by Onerous Contracts — Cost of Fulfilling a Contract.	January 1, 2022
IAS 41 Amended by Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements).	January 1, 2022

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

h.u

Standards	Effective date (accounting periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2021
IFRS 14 Regulatory Deferral Accounts	January 1, 2016

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

a Owned assets

These are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

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

Depreciation is calculated on straight line basis over the estimated useful lives of the assets. Depreciation on additions is charged from the month in which they are available for use at rates specified in note 4, while no depreciation is charged in the month of disposal.

Motor Vehicles are depreciated on a straight line basis over their estimated useful life after providing for salvage value @ 40% of the cost of the said class of asset.

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Gains or losses on disposals of property and equipment are determined by comparing proceeds with the carrying amount and are included in the profit and loss account of the period to which it relates.

The Company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

hsy

b. Right of use assets and related liabilities

The Company is carrying its operations through leased office building. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right to use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

3.2 Intangible assets

(a) Trade Right Entitlement Certificate (TRE Certificate) & membership

TRE Certificate was received against surrender of Stock Exchange Membership Card and is stated at revalued amounts As the fair value of both the 'asset transferred' and 'asset obtained' can not be determined with reasonable accuracy, TRE certificate has been recorded at the nil value.

(b) Others

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

Amortization is charged to income applying the straight line method over the estimated useful lives of related assets, at the rate specified in Note 6. Amortization on intangible assets is charged in the month of acquisition, whereas no amortization charged in the month of disposal.

Intangible assets are capitalized when it is probable that future economic benefits attributable to the asset will flow to the enterprise and the same shall be amortized applying an appropriate amortization rate.

ken

3.3 Financial assets

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

3.3.1 Classification

The financial assets are classified in the following measurement categories:

- a) Those to be measured subsequently at fair value through profit or loss,
- b) Those to be measured subsequently at fair value through other comprehensive income, and
- c) Those to be measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

3.3.2 Measurement

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

3.3.3 Impairment of financial assets

The Company shall assess on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost and debt instruments at fair value through other comprehensive income. The ECLs shall be updated at each reporting date to reflect changes in credit risk.

The three-stage model for impairment shall be applied to loans and advances, debt instruments at fair value through other comprehensive income, and loan receivables from joint ventures and associates. The credit risk shall be determined through modelling a range of possible outcomes for different loss scenarios, using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions and taking into account the time value of money.

A 12-month ECL shall be recognised, unless the credit risk on the financial asset increases significantly after initial recognition, when the lifetime ECL is recognised. For trade and other receivables, contract assets and lease receivables, the simplified approach shall be applied as permitted by IFRS 9, with lifetime ECLs recognised from initial recognition of the receivable.

These assets shall be grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined, based on the Company's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions and expected changes in forecast conditions.

6/24

At each reporting date, the management shall review the carrying amounts of its financial assets to determine whether there was any indication that those assets had suffered an impairment loss. If there is objective evidence that an impairment loss on a financial asset or group of financial assets has been incurred, the amount of the loss shall be measured as the difference between the estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses shall be assessed individually for financial assets that were individually significant and collectively for assets that were not individually significant. In making collective assessments of impairment, financial assets shall be grouped into portfolios on the basis of similar characteristics.

3.3.4 De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

Regular purchases and sales of investments are recognized on trade date basis - i.e. on the date when the Company commits to purchase or sell the asset. All client purchases and sales are recognized on the date of settlement.

3.4 Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition.

3.4.1 Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured at fair value through profit and loss and
- b) those to be measured at amortized cost

3.4.2 Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortized cost like borrowings are accounted at the fair value determined based on the effective interest rate method (EIR) after considering the directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

lsh

The effective interest rate ("EIR") method calculates the amortized cost of a debt instrument by allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables etc.

The Company's financial liabilities include other payables and borrowings. The Company measures financial liabilities (except derivatives) at amortized cost.

3.4.3 De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.5 Revenue recognition

- (a) Brokerage, commission and other income are accrued as and when earned.
- (b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- (c) Gains or losses on sale of investments are recognized in the period in which they arise.
- (d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- (e) Consultancy, advisory fee and service charges, are recognized as and when earned.
- (f) Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

3.6 Taxation

Taxation comprises of current tax and deferred tax.

Tax expense is recognized in the statement of profit and loss except to the extent that relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

lcc

Current tax

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates, if any, and any under/over provisions in respect of prior year.

Deferred

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Further, the carrying amount of deferred assets is reviewed at each reporting date and is adjusted to reflect the current assessment of the future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

lru

3.8 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 its 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.

3.9 Trade debts and other receivables

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

3.10 Trade and other payables

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

3.11 Earnings

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

3.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

154

June 30, 2020

PARTICULARS	C O S T			Rate	D E P R E C I A T I O N			Written down value as at June 30, 2020
	As at July 01, 2019	Additions / (Disposals)	As at June 30, 2020		As at July 01, 2020	Charge for the year / (Disposal)	As at June 30, 2020	
	-----Rupees-----				-----Rupees-----			
Owned -				%				
Motor vehicles	15,909,103	3,874,400 (1,858,900)	17,924,603	20	6,589,918	1,310,544 (1,148,162)	6,752,300	11,172,303
Furniture and fixtures	1,413,828	661,842 (54,180)	2,021,490	10	501,112	178,188 (1,355)	677,945	1,343,545
EDP equipment	10,863,770	1,227,900 (848,520)	11,243,150	33	8,571,390	1,956,884 (848,520)	9,679,754	1,563,396
Office equipment	438,455	137,580 -	576,035	20	432,285	27,495 -	459,780	116,255
Air conditioners	1,071,410	313,000 -	1,384,410	20	823,930	145,776 -	969,706	414,704
Office renovation	-	8,395,093 -	8,395,093	20	-	419,755 -	419,755	7,975,338
Generator	3,229,220	- -	3,229,220	20	3,016,446	212,770 -	3,229,216	4
June 30, 2020	32,925,786	14,609,815 (2,761,600)	44,774,001		19,935,081	4,251,412 (1,998,037)	22,188,456	22,585,545

L2

4.1.1 Disposal of property & equipment

The following is a statement of asset disposed off during the year having written down value exceeding Rs. 500,000/-.

Particulars	Acquisition Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain	Mode of Disposal	Particular of Buyers	Relationship with Company
Motor Vehicles	-----		Rupees -----					
Toyota Corolla Gli (BBA-541)	1,675,803	1,032,814	642,989	642,989	-	Negotiation	Mr. Faizan	Advisor
Toyota Corolla Grande (BJJ-397)	2,460,435	1,107,196	1,353,239	1,355,000	1,761	Negotiation	Mrs. Saima Qureshi	Spouse of director
Honda Civic (BLB-236)	2,711,750	1,084,700	1,627,050	1,627,050	-	Negotiation	Mr. Jawad Amjad	Shareholder of parent company
Others	5,055,248	3,092,198	1,963,050	1,948,970	(14,080)	Negotiation	Multiple	Employees / Third party
	<u>11,903,236</u>	<u>6,316,908</u>	<u>5,586,328</u>	<u>5,574,009</u>	<u>(12,319)</u>			
						Note	June 30, 2021	June 30, 2020

5 RIGHT OF USE ASSETS

Balance at beginning		22,376,708	-
Transition affect of initial application of IFRS 16		-	27,970,885
Depreciation charged during the year	5.1	(5,426,378)	(5,594,177)
Adjustment due to modification in rent agreement	5.2	(2,479,988)	
Net book value at end of the year		<u>14,470,342</u>	<u>22,376,708</u>

5.1 Depreciation expense relating to right of use asset is allocated to administrative expenses. Right of use asset is against office building premise rented under an agreement for a lease term of 55 months.

5.2 This represent adjustment during the year June 30, 2021 due to change in rent as per amendment in agreement.

hsh

6 INTANGIBLE ASSETS	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
Trading Right Entitlement Certificate	6.1	-	-
KSE booth		300,000	300,000
Computer software;	6.2		
- Cost as at July 1, 2020		3,322,814	3,322,814
- Accumulated amortization as at July 1, 2020		(3,268,227)	(2,710,479)
- Charge for the year		(54,582)	(557,748)
- Carrying amount as at June 30, 2021		5	54,587
		<u>300,005</u>	<u>354,587</u>

6.1 The Company have been granted Trading Right Entitlement (TRE) Certificate in pursuance of Section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with Regulation 6 of the Stock Exchanges (Corporatization, Demutualization and Integration) Regulation, 2012. This TRE Certificate represents intangible asset and is accounted for on Nil values as presently, the value of this TRE Certificate can not be determined with reasonable accuracy.

6.2 This represents cost of six software's which are being amortized on straight line basis @ 33.33% p.a. calculated on monthly basis.

7 LONG-TERM DEPOSITS	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
PSX - Initial trading deposits		200,000	200,000
CDC		100,000	100,000
NCCPL		200,000	200,000
Deposits against lease		1,800,000	1,800,000
NCCPL - Base minimum capital		8,550,000	12,600,000
Others		52,100	41,100
		<u>10,902,100</u>	<u>14,941,100</u>

8 LONG-TERM INVESTMENT

Fair value through other comprehensive income - FVOCI

Pakistan Stock Exchange Limited

1,081,194 (2020: 1,081,194) Ordinary Shares

8.1	<u>24,121,438</u>	<u>10,703,821</u>
-----	-------------------	-------------------

8.1 In accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), 4,007,383 shares of Pakistan Stock Exchange Limited ('PSX') had been allotted to the Company in lieu of membership card of KSE. In compliance of the Act, 60% shares have been sold at a price of Rs. 28/- per share and the 40% remaining shares were blocked of which 15% (521,759 shares) have been released under Public Offering Regulations, 2017 in the name of the Company and remaining have been pledged with PSX to fulfill the Base Minimum Capital Requirement as per the PSX Regulations. These shares have been revalued at a price of Rs. 22.31 (June 30, 2020 : Rs. 9.9) as at balance sheet date. Further, TRE Certificate of PSX (i.e. against TRE Certificates of Karachi Stock Exchange Limited) have been issued to the Company.

Utsu

9 DEFERRED TAX - NET

Deferred tax asset comprises of taxable temporary differences in respect of the following:

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
Taxable temporary differences due to			
- accelerated tax depreciation allowance		831,375	581,076
- right of use assets		4,196,399	6,032,406
- short term investments		544,345	-
		<u>5,572,119</u>	<u>6,613,482</u>
Deductible temporary differences due to			
- intangible assets		(74,761)	(54,783)
- trade debts		(59,660)	(28,006)
- lease liability		(3,349,664)	(5,526,157)
- current portion of lease liability		(1,636,690)	(1,225,465)
		<u>(5,120,775)</u>	<u>(6,834,411)</u>
Deferred tax liability / asset		<u>451,344</u>	<u>(220,929)</u>
Deferred tax liability on long term investment - through FVOCI		2,060,332	-
Deferred tax liability / asset		<u><u>2,511,676</u></u>	<u><u>(220,929)</u></u>
10 SHORT TERM INVESTMENT			
Fair value through profit and loss - FVPNL			
Pakistan Investment Bonds (PIBs)	10.1	<u>50,450,081</u>	<u>-</u>
10.1 These yielded profit at the rate ranging from 9% to 10% during the year ended June 30, 2021.			
11 TRADE DEBTS - UNSECURED			
Considered good	11.1	8,782,155	10,212,240
Considered doubtful		205,724	103,884
		<u>8,987,879</u>	<u>10,316,124</u>
Less: Allowance for impairment of trade debts		(205,724)	(103,884)
		<u>8,782,155</u>	<u>10,212,240</u>
11.1 Trade debts - net		8,782,155	10,212,240
Aging Analysis			
Within 5 days		1,830,391	1,915,973
Above 5 days		6,951,764	8,296,267
		<u>8,782,155</u>	<u>10,212,240</u>
Receivables above 5 days net-off collateral (after applying haircut)		<u>6,913,660</u>	<u>8,247,681</u>

454

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
11.2 The age analysis of trade receivables is as follows:			
Payments over due			
1-360 days		8,541,703	10,193,593
Above 360 days		240,452	18,647
		8,782,155	10,212,240
The Company holds capital securities owned by its clients as collateral in their respective CDC accounts against trade debts. Provision is made against unsecured client balances above 360 days.			
	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
12 ADVANCES			
Advance to employees - against salaries		2,764,085	1,053,671
13 DEPOSITS & PREPAYMENTS			
Short-term deposits	13.1	131,799,574	135,611,254
Prepayments		1,929,406	1,663,038
		133,728,980	137,274,292
13.1	This includes ready market and future market exposure deposits with the NCCPL.		
	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
14 OTHER RECEIVABLES			
Receivable from NCCPL - net	14.1	164,369	25,749
Other receivable		26,521,793	15,950,609
		26,686,162	15,976,358
14.1	This represents the clients' future market transaction profits held by the National Clearing Company of Pakistan Limited (NCCPL) as at June 30, 2021.		
	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
15 DUE FROM RELATED PARTIES			
Optimus Holding (Private) Limited	15.1	10,890,056	9,950,930
Optimus Market (Private) Limited	15.2	-	3,248,649
Receivable from Directors		5,350,000	6,650,000
		16,240,056	19,849,579

Handwritten signature/initials

15.1 This represents an unsecured amount recoverable from the holding company bearing interest @ 6 months KIBOR +2% (2020: @ 6 months KIBOR +2%). Principal amount is Rs 7,850,000 and markup is Rs 3,040,056.

15.2 This represents an unsecured interest free loan receivable from the associated company.

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
16 CASH AND BANK BALANCES			
Cash in hand		2,970	3,565
Cash at banks			
- in current accounts		45,688,655	179,515,198
- in saving accounts	16.1	27,256,331	50,763,145
		72,947,956	230,281,908

16.1 These carry return ranging from 5% to 6% (2020 : 6% to 12%) per annum.

17 CLIENTS' ASSETS

	June 30, 2021		June 30, 2020	
	No. of Securities	Value ---Rupees---	No. of Securities	Value ---Rupees---
Held at bank		45,688,655		179,250,841
Held as securities:				
- No. of securities	85,356,354		61,207,391	
- Value of securities		3,135,324,688		1,553,180,684

18 VALUE OF SECURITIES PLEDGED WITH FINANCIAL INSTITUTIONS

Value of securities pledged with financial institutions are as follows:

	June 30, 2021	June 30, 2020
----- (Rupees) -----		
Proprietary:	24,117,110	10,745,140
Client:		
Askari Bank Limited	491,837,100	427,269,230
JS Bank Limited	58,119,090	42,022,675
First Women Bank Limited	135,630,000	147,989,500
Bank of Khyber	261,885,780	171,112,135
Bank Al Habib Limited	428,040,000	-
Al Baraka Bank Limited	339,025,680	-
Habib Metropolitan Limited	73,980,000	59,740,000
	1,788,517,650	848,133,540

Handwritten signature

19 SHARE CAPITAL

2021	2020		2021	2020
(Number of shares)		Ordinary shares of Rs.100/=	(Rupees)	
937,600	937,600	each fully paid in cash	100,000,000	100,000,000
62,400	62,400	Issued as bonus shares	-	-
<u>1,000,000</u>	<u>1,000,000</u>		<u>100,000,000</u>	<u>100,000,000</u>

19.1 PATTERN OF SHARE HOLDING

Company's shareholding as at 30 June 2021 is as under:	June 30, 2021		June 30, 2020	
	No. of share	Shareholding %	No. of share	Shareholding %
Asif Ali Qureshi	1	0%	1	0%
Muhammad Ovais Ahsan	1	0%	1	0%
Optimus Holdings (Private) Limited	999,998	100%	999,998	100%
	<u>1,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>

No changes in shareholding above 5% during the year ended on June 30, 2021.

20 LEASE LIABILITY

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
Balance at the beginning of the year		25,044,578	-
Impact of initial application of IFRS 16		-	27,970,885
Interest		2,915,564	3,673,693
Prepaid/adjustment during the year		(7,200,000)	(6,600,000)
Adjustment due to modification in rent agreement	20.2	(3,565,820)	-
		<u>17,194,322</u>	<u>25,044,578</u>
Current portion of lease liability		(5,643,758)	(4,545,759)
Balance at the end of the year		<u>11,550,564</u>	<u>20,498,819</u>

20.1 These represents lease contracts for head office building premise used in management and operations department since august 1, 2019. The estimated lease term is 55 months starting during the previous year.

20.2 This represent adjustment during the year June 30, 2021 due to change in rent as per amendment in

Particulars	Upto one year	From one to five years	Total as at June 30, 2021	Upto one year	From one to five years	Total as at June 30, 2020
Minimum lease payments	7,800,000	13,000,000	20,800,000	7,986,000	24,948,191	32,934,191
Finance cost allocated	(2,156,242)	(1,449,436)	(3,605,678)	(3,440,241)	(4,449,373)	(7,889,614)
present value of minimum lease payments	5,643,758	11,550,564	17,194,322	4,545,759	20,498,819	25,044,578

han

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
21 ACCRUED LIABILITIES			
Accrued expenses		<u>3,981,478</u>	<u>2,023,134</u>
22 OTHER LIABILITIES			
Sales tax payable		<u>4,001,561</u>	<u>559,725</u>

23 CONTINGENCIES AND COMMITMENTS

- 23.1** Sindh Revenue Board had filed a reference through Special Sindh Sales Tax Reference Commissioner (Unit 4) against the company in Honorable Sindh High Court against the decision of appeal filed by Sindh Revenue Board (SRB) under Section 57(1) of the Sindh Sales Tax on Services Act, 2011 before Honorable Appellate Tribunal (HAP), SRB. In its decision the learned HAP upheld the decision by Commissioner (Appeal) to uphold the principle amount of SST short paid along with default surcharge and waiver of penalty finding that there was no mens rea. The original case pertained to show cause notice issued u/s 3 (2) of the Act in respect of short payment of Sindh Sales Tax on advisory services. The Company's lawyer believes that case by SRB is based on vague grounds and against the settled preposition of law as settled by the apex court of Pakistan and is very hopeful that the matter will be decided in favour of OCM.

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
24 OPERATING REVENUES			
Equity brokerage income		119,745,448	73,708,484
Consultancy income		23,300,000	1,000,000
Commission income		573,567	-
Dividend income	24.2	-	102,500
		<u>143,619,015</u>	<u>74,810,984</u>

- 24.1** The Company share's of transactions for the year ended June 30, 2021 (2020) is as under:

	June 30, 2021		June 30, 2020	
	Volume	Value ---(Rupees)---	Volume	Value ---(Rupees)---
Retail clients	<u>343,143,819</u>	<u>11,081,634,430</u>	<u>128,694,694</u>	<u>5,869,216,021</u>
Institutional clients	<u>1,725,728,101</u>	<u>62,481,951,665</u>	<u>735,044,527</u>	<u>44,241,511,607</u>
Proprietary trades	<u>12,084,683</u>	<u>1,316,810,999</u>	<u>6,742,104</u>	<u>637,713,818</u>

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
24.2 DIVIDEND INCOME			
Pakistan Stock Exchange Limited		<u>-</u>	<u>102,500</u>

Ush

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
25 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits		74,066,706	60,516,130
Traveling, conveyance and vehicle running expenses		357,075	426,410
Rent, rates and taxes		584,530	733,027
Utility charges		2,068,979	1,579,882
Postage, telephone and telegram		6,626,501	6,318,637
Repair and maintenance		3,667,090	2,844,117
Insurance		2,855,756	2,531,239
Depreciation	4.1 & 5	9,705,793	9,845,589
Amortization	6	54,582	557,748
Entertainment		754,218	502,805
Printing and stationery		246,528	402,614
Legal and professional charges		415,830	5,135
Fees and subscription		3,867,174	5,824,319
Auditors' remuneration	25.1	366,660	442,260
CDC charges		1,174,041	1,183,586
KSE charges		817,026	891,148
NCCPL charges		5,374,409	3,550,702
SECP charges		482,697	325,569
EDP expenses		1,227,178	843,679
Research and development		452,044	412,427
allowance against debtors		101,840	103,884
Others		1,850,342	718,125
		117,116,999	100,559,032
25.1 AUDITOR'S REMUNERATION			
Audit fee		210,600	292,760
Other certification		135,000	135,000
Out of pocket expenses		21,060	14,500
		366,660	442,260
26 OTHER INCOME - NET			
(Loss) / gain on disposal of fixed assets		(12,319)	788,117
Gain on lease modification		1,085,833	-
Markup on loan to related party	31	939,126	1,163,593
		2,012,640	1,951,710
27 FINANCIAL CHARGES			
Interest expense on lease		2,915,564	3,673,693
Bank charges		81,890	51,493
		2,997,454	3,725,186

Handwritten signature

	Note	June 30, 2021	June 30, 2020
		----- (Rupees) -----	
28 TAXATION			
- current	28.1	14,092,946	7,207,763
- prior		91,685	(473,986)
- deferred		672,273	(759,469)
		<u>14,856,904</u>	<u>5,974,308</u>
28.1 Reconciliation of tax charge for the year			
Accounting profit		36,195,885	54,815
Corporate tax rate		29%	29%
Tax on accounting profit at applicable rate		<u>10,496,807</u>	<u>15,896</u>
Tax effect of			
- income tax at lower rate and final tax regime		840,319	441,756
- minimum tax		5,387,176	6,346,189
- prior year		91,685	(473,986)
- temporary differences		(1,959,083)	(355,547)
		<u>14,856,904</u>	<u>5,974,308</u>
29 EARNINGS / (LOSS) PER SHARE	Note	June 30, 2021	June 30, 2020
The basic earnings / (loss) per share of the Company is based on:		----- (Rupees) -----	
Profit / (loss) after taxation		<u>21,338,981</u>	<u>(5,919,493)</u>
weighted average number of ordinary shares		<u>1,000,000</u>	<u>1,000,000</u>
Earnings / (loss) per share - basic and diluted		<u>21.34</u>	<u>(5.92)</u>
29.1	Diluted earnings per share has not been presented as Company did not have convertible instruments in issue as at June 30, 2021 and June 30, 2020 which could have any effect on earnings.		
30 RATING			

PACRA through its notification dated April 09, 2021 has maintained the Company's long term and short term entity rating during the year ended on June 30,2021. Furthermore, PACRA through its notification dated April 09, 2021 has maintained the Company's rating Brokerage Management Rating BMR 3+ during the year ended on June 30,2021.

h-4

31 RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contributions to the provident fund are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment and is disclosed below. Transactions with other related parties are entered into at rates negotiated with them which are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2021 (Rupees)	2020 (Rupees)
Optimus Holdings (Private) Limited	Holding company holds 100% (2020: 100%) share capital	Loan provided	-	350,000
		Miscellaneous amount paid	-	-
		Loan settlement received	-	-
		Interest received	-	-
		Accrued markup	939,126	1,163,593
		Amount due at the year end	10,890,056	9,950,930
Optimus Markets (Private) Limited	Common shareholding	Miscellaneous amount paid	700,283	650,000
		Transaction charges/fee received	-	54,506
		Miscellaneous amount received	3,971,869	3,655,858
		Sale proceed of vehicle sold	-	1,500,000
		Amount payable at the year end	22,937	-
		Amount due at the year end	-	3,248,649
Board of Directors (executive and non-executive), all members of the Company's Management Team	Key management	Total compensation	30,700,000	38,182,000
		Loan provided to CEO	-	500,000
		Loan repaid by CEO	-	200,000
		Amount outstanding from CEO	1,350,000	1,350,000
		Loan provided to Director	-	1,500,000
		Loan repaid by Director	550,000	1,300,000
		Amount outstanding from Director	500,000	1,050,000
		Vehicle sold having WDV	5,562,248	-
Sale proceed received	5,564,009	-		

31.1 Related parties and associated companies/ undertakings

Following are the details of related parties and associated companies/ undertakings with whom the company had entered into transactions or had arrangements in place during the year:

Particulars	Relationship with the Company
Optimus Holdings (Private) Limited	Parent Company (Holding 100% shares)
Optimus Market (Private) Limited	Common Shareholding
PNO Waste Management (Private) Limited	Common Directorship
PNO Capital Limited	Associated Company
Mr. Ovais Ahsan	Chief Executive Officer
Mr. Asif Ali Qureshi	Director
Mr. Jawad Amjad	Spouse of Director of Parent Company
Mrs. Maryam Jawad	Director of Parent Company

Utsav

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR AND OTHER EXECUTIVES

The aggregate amount charged in the financial statements for the remuneration, including certain benefits to the Chief Executive Officer, Executive Director and other executives of the Company is as follows:

	Chief Executive Officer		Executive Director		Other Executives	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
(Rupees).....					
Gross salaries	8,900,000	8,550,000	8,900,000	6,000,000	27,741,677	23,320,000
Bonus	-	-	2,000,000	-	-	-
Others	36,000	36,000	36,000	36,000	288,000	240,000
	<u>8,936,000</u>	<u>8,586,000</u>	<u>10,936,000</u>	<u>6,036,000</u>	<u>28,029,677</u>	<u>23,560,000</u>
Number of Persons	1	1	1	1	8	7

The Company provides company maintained car to the chief executive officer, executive director and certain other executives. The Company does not pay remuneration to any non-executive directors. Further, the chief executive officer and executive director are also entitled for perquisites and facilities/benefits as per the Company's policies and rules.

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying value and fair value estimates. The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

Financial Assets Fair Value Hierarchy

All financial instruments carried at fair value are categorized in three categories defined as follows:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Company categorizes its long term investment amounting to Rs. 24,121,438 in Level 1 (2020: 10,703,821 in Level 1).

The Company categorizes its short term investment amounting to Rs. 50,450,081 in Level 2 (2020: Rs. Nil).

Financial risk management

The Company does not have investments in equity or debt instruments except some short term equity instruments in listed entities. The Board of Directors of Company has overall responsibility for establishment and oversight of the Company's risk management framework. The Company has exposure to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

33.1 Credit risk

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

33.1.1 Exposure to credit risk

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

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

The maximum exposure to credit risk at year end is as follows:

	Note	June 30, 2021	June 30, 2020
----- (Rupees) -----			
Long term deposit		10,902,100	14,941,100
Trade debts - considered good		8,782,155	10,212,240
Advances		2,764,085	1,053,671
Deposits		131,799,574	137,274,292
Other receivables		26,686,162	15,976,358
Due from related parties		16,240,056	19,849,579
		<u>197,174,132</u>	<u>199,307,240</u>

Handwritten signature

33.1.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

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

Bank	Rating Agency	Rating	
		Short term	Medium to long term
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank	PACRA	A1+	AA+
Bank Al- Habib Limited	PACRA	A1+	AA+
Bank Al-Falah Limited	PACRA	A1+	A1+
Dubai Islamic Bank	JCR-VIS	A1+	AA
Habib Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA-
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AA+
United Bank Limited	JCR-VIS	A1+	AAA

33.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	Six to twelve months	One to two years	Two to five years
<i>Rspees</i>					
June 30, 2021					
Trade creditors	45,187,714	45,187,714	-	-	-
Accrued liabilities	3,981,478	3,981,478	-	-	-
Other liabilities	4,001,561	4,001,561	-	-	-
	53,170,753	53,170,753			
June 30, 2020					
Trade creditors	179,250,841	179,250,841	-	-	-
Accrued liabilities	2,023,134	2,023,134	-	-	-
Other liabilities	559,725	559,725	-	-	-
	181,833,700	181,833,700			

On the balance sheet date, the Company has cash and bank balances of Rs. 72,947,956 (2020: Rs. 230,281,908).

hs

33.3 Market risk

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

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk:

- Currency risk
- Interest rate risk
- Other price risk

Yield / interest rate sensitivity position for 'on balance sheet financial instruments' is based on the earlier of contractual repricing or maturity date. The company's market rate of return sensitivity related to financial assets and financial liabilities as at 30 June 2021 can be determined from the following:

Effective rate of return	June 30, 2021			Total
	Exposed to interest rate risk		Not exposed to interest	
	Upto one year	More than one year		
----- Rupees -----				
Financial assets				
Long term deposit	-	-	10,902,100	10,902,100
Short term investment	50,450,081	-	-	50,450,081
Trade debts	-	-	8,782,155	8,782,155
Advances	-	-	2,764,085	2,764,085
Deposits & pre-payments	-	-	133,728,980	133,728,980
Other receivables	-	-	26,686,162	26,686,162
Due from related party	10,890,056	-	5,350,000	16,240,056
Cash & bank balances	27,256,331	-	45,691,625	72,947,956
	88,596,467	-	233,905,107	322,501,575
Financial liabilities				
Trade creditors	-	-	45,187,714	45,187,714
Current portion of lease liability	5,643,758	-	-	5,643,758
Accrued liabilities	-	-	3,981,478	3,981,478
Other liabilities	-	-	4,001,561	4,001,561
	5,643,758	-	53,170,753	58,814,511
On balance sheet gap	82,952,709	-	180,734,354	263,687,064
----- Rupees -----				
	June 30, 2020			
Financial assets				
Long term deposit	-	-	14,941,100	14,941,100
Short term investment	-	-	-	-
Trade debts	-	-	10,212,240	10,212,240
Advances	-	-	1,053,671	1,053,671
Deposits & pre-payments	-	-	137,274,292	137,274,292
Other receivables	-	-	15,976,358	15,976,358
Due from related party	9,950,930	-	9,898,649	19,849,579
Cash & bank balances	50,763,145	-	179,518,763	230,281,908
	60,714,075	-	368,875,073	429,589,148
Financial liabilities				
Trade creditors	-	-	179,250,841	179,250,841
Current portion of lease liability	4,545,759	-	-	4,545,759
Accrued liabilities	-	-	2,023,134	2,023,134
Other liabilities	-	-	559,725	559,725
	4,545,759	-	181,833,700	186,379,459
On balance sheet gap	56,168,316	-	187,041,373	243,209,689

lmy

33.4 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	June 30, 2021	June 30, 2020
------(Rupees)-----			
Financial assets			
Financial asset at amortised cost			
Long term deposits		10,902,100	14,941,100
Short term deposits		131,799,574	135,611,254
Short term investment		50,450,081	-
Trade debts - unsecured, considered good		8,782,155	10,212,240
Advances		2,764,085	1,053,671
Other receivables		26,686,162	15,976,358
Due from related parties		16,240,056	19,849,579
Cash and bank balances		72,947,956	230,281,908
		<u>320,572,169</u>	<u>427,926,110</u>
Investment classified at 'FVOCI'		<u>24,121,438</u>	<u>10,703,821</u>
Financial liabilities			
Financial liabilities at amortized cost			
Trade creditors		45,187,714	179,250,841
Lease liability		17,194,322	25,044,578
Accrued liabilities		3,981,478	2,023,134
Other liabilities		4,001,561	559,725
		<u>70,365,075</u>	<u>206,878,278</u>

33.5 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholders' value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

34 CAPITAL ADEQUACY LEVEL

	Note	June 30, 2021	June 30, 2020
Total Assets		414,333,170	515,638,431
Less: Total Liabilities		(72,876,751)	(206,878,278)
Less: Revaluation Reserves (Created upon revaluation of fixed assets)		-	-
		<u>341,456,419</u>	<u>308,760,153</u>

hsu

While determining the value of the total assets of the TREC Holder, Notional value of the TREC certificate held by the Optimus Capital Management (Pvt) Ltd as at year ended 30th June, 2021 as determined by Pakistan Stock Exchange has been considered.

	June 30, 2021 Rupees
35 NET CAPITAL BALANCE	
<u>Current assets</u>	
Cash and cash equivalent	
Cash in hand	2,970
Margin deposit with exchanges	131,799,574
	131,802,544
Bank balances	
Bank balance(s) pertaining to brokerage house	27,256,331
Bank balance(s) pertaining to clients	45,688,655
	72,944,986
Trade debts	
Book value	8,782,155
Receivable from NCCPL	164,369
Less: Over due for more than 14 days	(4,425,055)
	4,521,469
Securities held for client	37,464
Investment in PIBs	
Marked to market	50,450,081
Less: 5% discount	(2,522,504)
	47,927,577
	<hr/> 257,234,040
<u>Less: Current liabilities</u>	
Trade payable	
Book value	45,187,713
Less: Overdue for more than 30 days	(18,225,264)
	26,962,449
Trade payables more than 30 days	18,225,264
Accrued expenses and other liabilities	13,626,797
	58,814,510
<i>Net Capital Balance</i>	<hr/> <hr/> 198,419,530

Handwritten signature or mark.

36 COMPUTATION OF LIQUID CAPITAL
AS ON JUNE 30, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	44,652,216	100.00%	-
1.2	Intangible Assets	300,005	100.00%	-
1.3	Investment in Govt. Securities	50,450,081	0.00%	50,450,081
Investment in Debt. Securities				
If listed than:				
i. 5% of the balance sheet value in the case of tenure upto 1 year.				
ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.				
iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.				
If unlisted than:				
i. 10% of the balance sheet value in the case of tenure upto 1 year.				
ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.				
iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.				
1.4			0.00%	-
Investment in Equity Securities				
i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.				
ii. If unlisted, 100% of carrying value.				
iii. Subscription money against investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.				
1.5		4,328	649	3,679
iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017). Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)				
1.6	Investment in subsidiaries		0.00%	-
Investment in associated companies/undertaking				
i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.				
ii. If unlisted, 100% of net value.				
1.7		-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	9,050,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	131,799,574	0.00%	131,799,574
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	3,781,506	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	8,419	-	8,419
1.13	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	3,040,056	100.00%	-
1.14	Dividends receivables.	-	-	-
1.15	Amounts receivable against Repo financing.	-	-	-
1.16	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.17	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	2,764,085	0%	2,764,085
1.18	ii. Receivables other than trade receivables	59,971,310	100%	-
Receivables from clearing house or securities exchange(s)				
100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.				
claims on account of entitlements against trading of securities in all markets including MTM gains.				
1.19		164,369	-	164,369
Receivables from customers				
i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.				
ii. <u>Lower of net balance sheet value or value determined through adjustments.</u>				
iii. In case receivables are against margin trading, 5% of the net balance sheet value.				
iv. <u>Net amount after deducting haircut</u>				
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,				
iv. <u>Net amount after deducting haircut</u>				
iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.				
1.20		1,830,391	-	1,830,391
Balance sheet value				
v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.				
vi. <u>Lower of net balance sheet value or value determined through adjustments</u>				
vi. 100% haircut in the case of amount receivable from related parties.				
1.21		6,951,764	(6,913,660)	38,104
Cash and Bank balances				
i. Bank Balance-proprietary accounts				
1.22		27,256,331	-	27,256,331
ii. Bank balance-customer accounts				
1.23		45,688,655	-	45,688,655
iii. Cash in hand				
1.24		2,970	-	2,970
1.25	Total Assets	411,833,170		260,006,657

Handwritten signature/initials.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	45,187,714	0%	45,187,714
	Current Liabilities			
	i. Statutory and regulatory dues	4,001,561	0%	4,001,561
	ii. Accruals and other payables	3,981,478	0%	3,981,478
	iii. Short-term borrowings	-	-	-
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	5,643,758	0%	5,643,758
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	0%	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	2,511,676	-	2,511,676
	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institu: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
2.3	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	100%	-
	iv. Other liabilities as per accounting principles and included in the financial statements	11,550,564	0%	11,550,564
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	100%	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	Total Liabilities	72,876,751		72,876,751
3. Ranking Liabilities Relating to :				
	Concentration in Margin Financing			
3.1	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
	Concentration in securites lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
3.3	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-

hse

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Concentrated proprietary positions				
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security		2,412,144	2,412,144
Opening Positions in futures and options				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
Short sell positions				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	2,412,144	2,412,144

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	260,006,657
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(72,876,751)
(iii) Less: Total ranking liabilities (series number 3.11)	(2,412,144)
	<u>184,717,763</u>

37 NUMBER OF EMPLOYEES

	June 30, 2021	June 30, 2020
Number of employees as at year end	<u>43</u>	<u>40</u>
Average number of employees during the year	<u>40</u>	<u>40</u>

38 DATE OF AUTHORISATION

These financial statements have been authorized for issue on 04 OCT 2021 by the Board of Directors of the company.

39 GENERAL

39.1 Figures in these financial statements have been rounded off to the nearest rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR