ABBASI AND COMPANY
(PRIVATE) LIMITED

FINANCIAL STATEMENTS
PERIOD ENDED JUNE 30, 2019

33-A/I. Queens Road,
Behind Queens Centre,
Lahore - Pakistan
Tel: (92) 42 36299246, 36307841
Fax:(92) 42 36360052
Mob: 0321-8413497
E-mail: fiqbalkhawaja@gmail.com
lhr@parkerandallajs.pk

URL: www.parkerrandall.ajs.pk
URL: www.parkerrandall.com
Office also at Faisalabad, Islamabad, Karachi & UK

INDEPENDENT AUDITORS' REPORT

To the members of Abbasi and Company (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ABBASI AND COMPANY (PRIVATE) LIMITED**, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the loss and comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan 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.

33-A/I, Queens Road,
Behind Queens Centre,
Lahore - Pakistan
Tel: (92) 42 36299246, 36307841
Fax:(92) 42 36360052
Mob: 0321-8413497
E-mail: fiqbalkhawaja@gmail.com
lhr@parkerandallajs.pk

URL: www.parkerrandall.ajs.pk
URL: www.parkerrandall.com
Office also at Faisalabad, Islamabad, Karachi & UK

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:

33-A/I. Queens Road,
Behind Queens Centre,
Lahore - Pakistan
Tel: (92) 42 36299246, 36307841
Fax:(92) 42 36360052
Mob: 0321-8413497
E-mail: fiqbalkhawaja@gmail.com
lhr@parkerandallajs.pk

URL: www.parkerrandall.ajs.pk
URL: www.parkerrandall.com
Office also at Faisalabad, Islamabad, Karachi & UK

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

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

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

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

e) The Company was in compliance with the requirement of section 78 of 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 Faisal Iqbal Khawaja.

Parker Randall AJS

PARKER RANDALL A.J.S. Chartered Accountants

Parker Randall A.J.S.
Chartered Accountants
Lahore

Dated: 04th October 2019

ABBASI AND COMPANY (PRIVATE) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019	2018
		Rupees	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4.	216,609,650	223,341,138
Intangible assets	5.	2,403,903	2,824,103
Long term deposits	6.	33,042,505	33,100,612
Long term investment	7.	1,360,000	1,360,000
		253,416,058	260,625,853
CURRENT ASSETS			
Trade debts - unsecured and considered good	8.	3,128,152	2,481,594
Short Term Investments	9.	41,482,885	69,602,081
Margin Deposit with PMEX		84,798,796	26,374,611
Advances, prepayments and other receivables	10.	11,330,644	6,216,497
Cash and bank balances	11.	207,966,556	239,109,908
		348,707,033	343,784,691
TOTAL ASSETS		602,123,091	604,410,544
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Authorized Capital:			
20,000,000 (2018: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital	12.	70,110,000	70,110,000
Reserves	13.	343,826,341	369,013,234
		413,936,341	439,123,234
NON CURRENT LIABILITIES			
Deferred Tax - Net	14.	-	4,360,704
		-	4,360,704
CURRENT LIABILITIES			
Trade and other payables	15.	188,186,750	160,926,606
Provision for taxation		-	-
		188,186,750	160,926,606
CONTINGENCIES AND COMMITMENTS	16.	-	-
TOTAL EQUITY AND LIABILITIES		602,123,091	604,410,544

The annexed notes from 1 to 37 form an integral part of these financial statements.

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		Rupees	
Brokerage revenue	17.	44,583,001	52,236,784
Capital (loss) on sale of investments - net		3,232,254	(2,205,568)
Net fair value (loss) on re-measurement of investments arising during the year		(20,535,849)	-
Dividend income	18.	2,101,213	2,549,053
		29,380,619	52,580,270
Finance cost	19.	(14,154)	(13,442)
Administrative and operating expenses	20.	(65,186,476)	(64,236,812)
Other income	21.	7,842,542	4,765,505
(LOSS) BEFORE TAXATION		(27,977,469)	(6,904,479)
TAXATION	22.	(2,790,576)	175,161
(LOSS) AFTER TAXATION		(25,186,893)	(6,729,318)
BASIC AND DILUTED (LOSS) PER SHARE	23.	(3.59)	(1.01)

The annexed notes from 1 to 37 form an integral part of these financial statements.

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi.

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		Rupees	
(LOSS) AFTER TAXATION		(25,186,893)	(6,729,318)
OTHER COMPREHENSIVE INCOME			
Items that may be re-classified subsequently to profit or loss account			
Available for sale financial assets:			
Net fair value (loss) on re-measurement of investments arising during the year		-	(1,085,047)
Net unrealized fair value loss realized on disposal of investments now included in profit and loss account		-	707,308
		(25,186,893)	(7,107,057)
Items that will not be-classified subsequently to profit or loss account		-	-
TOTAL COMPREHENSIVE (LOSS)		(25,186,893)	(7,107,057)

The annexed notes from 1 to 37 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi.
DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

		SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES			TOTAL
		Issued, subscribed & paid up capital	Share Premium Reserve	General Reserve	Surplus / (Deficit) on remeasurement of investments available for sale	Un-appropriated Profit	
		---------- (IN RUPEES) ----------					
Balance as at 01 July 2017		42,750,000	98,350,000	200,000,000	(3,416,794)	81,187,085	418,870,291
Total comprehensive income							
(Loss) after taxation		-	-	-	-	(6,729,318)	(6,729,318)
Other comprehensive income							
- Fair value (loss) on re-measurement of investments held as "available for sale" to fair value		-	-	-	(1,085,047)	-	(1,085,047)
- Unrealized net fair value loss realized on disposal of investments held as "available for sale"					707,308	-	707,308
		-	-	-	(377,739)	(6,729,318)	(7,107,057)
Ordinary Shares issued		27,360,000	-	-	-	-	27,360,000
		27,360,000				-	27,360,000
Balance as at 30 June 2018		70,110,000	98,350,000	200,000,000	(3,794,533)	74,457,767	439,123,234
Balance as at 1 July 2018 - as per Originally reported		70,110,000	98,350,000	200,000,000	(3,794,533)	74,457,767	439,123,234
Adjustment for the First Time Application of IFRS 9	3.1	-	-	-	3,794,533	(3,794,533)	-
Balance as at 1 July 2018 - as adjusted		70,110,000	98,350,000	200,000,000	-	70,663,234	439,123,234
Total comprehensive income							
(Loss) after taxation		-	-	-	-	(25,186,893)	(25,186,893)
		-	-	-	-	(25,186,893)	(25,186,893)
Balance as at 30 June 2019		70,110,000	98,350,000	200,000,000	-	45,476,341	413,936,341

The annexed notes from 1 to 37 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi
DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(27,977,469)	(6,904,479)
Adjustments for:			
Depreciation		9,650,899	10,801,559
Amortization		420,200	305,153
Capital gain		(3,232,254)	2,205,568
(Gain) on sale of Property and Equipment		(18,456)	(466,894)
Cash flow from operating activities before working capital changes		(21,157,080)	5,940,907
Adjustments for working capital changes:			
(Increase) In current assets			
Trade debts		(646,558)	(346,659)
Advances, prepayments & other receivables		(1,511,356)	(2,038,970)
(Decrease) In current liabilities			
Trade payables, accrued and other payables		(27,710,880)	(75,976,990)
Cash (used in) operating activities		(29,868,794)	(78,362,619)
Margin received (paid to) / from PMEX		(3,453,161)	919,583
Income tax paid		(5,172,918)	(5,311,740)
Net cash (used in) from operating activities		(59,651,953)	(76,813,869)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of property and equipment		1,825,000	2,621,000
Additions in property and equipment		(4,725,955)	(7,170,020)
Short term investments		31,351,450	(25,073,053)
Long term deposits		58,107	9,318,697
Computer Software		-	(580,000)
Net Cash inflow / (outflow) from Investing Activities		28,508,602	(20,883,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Ordinary Shares		-	27,360,000
Net cash inflow from financing activities		-	27,360,000
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(31,143,351)	(70,337,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		239,109,908	309,447,153
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11.	207,966,556	239,109,908

The annexed notes from 1 to 37 form an integral part of these financial statements.

Muhammad Ismail

CHIEF EXECUTIVE

Abbasi.

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note

1. STATUS AND NATURE OF BUSINESS

The company was incorporated as a private limited company in Pakistan on February 13, 1999. The company is a TREC holder of Pakistan Stock Exchange Limited and had also acquired membership of the Pakistan Mercantile Exchange Limited. It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The Head office of the company is situated at 6-Shadman, Lahore. The branch office of the company is situated at 42-Shahrah-e-Quaid-e-Azam, Lahore.

1.1. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

a) The Revenue of the company decreased from Rs. 52,236,784 to Rs. 44,583,001 due to uncertainties of the Stock Exchange market.

b) There has been a decline in short term investment from Rs. 69.602 million to Rs. 41.482 million.

c) The company made a major divestment in the shares of Fauji Foods Limited from Rs. 28,487,100 to Rs. 1,319,000.

2. BASIS OF PREPARATION

2.1 *Statement of Compliance*

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan as are notified under the Companies Act, 2017 (the act) and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 *Basis of Measurement*

These financial statements have been prepared under the historical cost convention except otherwise stated in relevant notes.

2.3 *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

2.4 *New standards and amendments/interpretations to exiting standards that are effective in the current year*

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2018 other than those disclosed in note 3.1 are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.5 *Standards, interpretations and amendments to approved accounting standards that are not yet effective :*

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The management is in the process of analyzing the potential impacts on adoption of this standard.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's financial statements.

-Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortized cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortized cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's financial statements.

-Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

-On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Annual Improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

-IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangement" - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

-IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

-IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

2.6 *Use of Estimate & Judgment*

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

Property and Equipment (refer note 3.2)
Intangible Assets (refer note 3.3)
Classification of Investment (refer note 3.4)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, significant accounting policies consistently applied in preparation of these financial statements are the same as those applied earlier periods presented.

3.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.1 IFRS 15 'Revenue from Contracts with Customers'

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

The adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at 01 July 2018, did not have an effect on the financial statements of the Company as brokerage commission, dividend income, income from Margin Finance, profit on banks accounts, profit on cash exposure, reversal of provision for bad debts are recognized on occurrence of confirming event.

3.1.2 **IFRS 9 'Financial Instruments'**

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied . The details of new significant accounting policies adopted and the nature and effect of the changes are set out below:

i **Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

-fair value through other comprehensive income (FVOCI);
-fair value through profit or loss (FVTPL); and
-measured at amortized cost

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

-The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, 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 FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying Amount	New Carrying Amount
			----Rupees----	
As at 30 June 2018				
Investments				
Short Term Investments	Available for sale	FVTPL	69,602,081	69,602,081
Long term investment	Held to maturity	Amortized cost	1,360,000	1,360,000
			70,962,081	70,962,081
Trade debts - unsecured and considered good	Loan and receivables	Amortized cost	2,481,594	2,481,594
Margin Deposit with PMEX	Loan and receivables	Amortized cost	26,374,611	26,374,611
Advances, prepayments and other receivables	Loan and receivables	Amortized cost	6,216,497	6,216,497
Cash and bank balances	Loan and receivables	Amortized cost	239,109,908	239,109,908
Total financial assets			345,144,691	345,144,691
As at 01 July 2017				
Investments				
Short Term Investments	Available for sale	FVTPL	47,112,335	47,112,335
Long term investment	Held to maturity	Amortized cost	1,360,000	1,360,000
			48,472,335	48,472,335
Trade debts - unsecured and considered good	Loan and receivables	Amortized cost	2,134,935	2,134,935
Margin Deposit with PMEX	Loan and receivables	Amortized cost	26,122,425	26,122,425
Advances, prepayments and other receivables	Loan and receivables	Amortized cost	16,464,679	16,464,679
Cash and bank balances	Loan and receivables	Amortized cost	309,447,153	309,447,153
Total financial assets			402,641,527	402,641,527

Application of changes in classification of financial asset due to adoption of IFRS 9 has had the following effects on the amounts presented for 30 June 2018 and 1 July 2018:

	As previously reported	Adjustment as per IFRS 9	As restated with adoption of IFRS 9
		---------Rupees---------	

Statement of financial position
As at 30 June 2018

Unappropriated profits	74,457,767	(3,794,533)	70,663,234
Re-measurement of investments classified as 'available for sale' to FVTPL	(3,794,533)	3,794,533	-

The company in light of issuance of IFRS 9 has adopted FVTPL for its short term investments, the accounts duly reflect this treatment. The changes made has been made prospectively as per IFRS 9 Financial Instruments.

3.2 Tangible fixed assets - Property and Equipment and Depreciation

Property & equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost. Cost of these assets consists of historical cost and directly attributable cost of bringing the assets to working condition. Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate, at each balance sheet date. Any impairment loss, or its reversal, is also charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the assets' carrying amount less the residual value over its estimated useful life. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit and loss account.

3.3 Intangible assets

These include computer software, membership cards and trading rights entitlement certificate.

a) Finite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated amortization and accumulated impairment losses, 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 values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. Intangible assets are amortized using the straight line method over their useful life.

b) Infinite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated impairment, if any. Cost on initial recognition in an acquisition transaction is determined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of asset acquisition. When there is an exchange of assets and the fair value of neither the asset received nor the asset given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up. 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 values exceed estimated recoverable amount, these are written down to their estimated recoverable amount.

3.4 Investments

Investment in shares are classified as fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value of the shares at each reporting date. Net gains and losses are recognized in the statement of profit or loss.

3.5 Trade and Other Receivables

Trade debts and other receivables recognized at fair value and subsequently measured at amortized cost less impairment losses, if any. Actual credit loss experience over past year is used to base the calculation of expected credit loss. Trade debt and other receivables considered irrecoverable are written off.

3.6 Revenue recognition

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

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

3.7 Borrowing Costs

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the profit and loss account in the period in which they are incurred.

3.8 Foreign Currency Translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in profit and loss account for the year.

3.9 **Trade & other payables**

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

3.10 **Taxation**

Income tax expenses comprises current and deferred tax.

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

3.11 **Employees Retirement Benefits**

a) **Defined contribution plan:**

The company operates a funded provident fund scheme covering permanent employees and monthly equal contribution is made to the trust @10% of basic pay both by the employer and the employees.

b) **Provisions**

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

3.12 **Impairment**

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

a) Financial Assets

The company recognizes loss allowances for expected credit losses (ECLs) in respect of Financial assets measured at amortized cost

The company measures loss allowances at an amount equal to life time ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since its initial recognition.

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

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on company's historical experience and informed credit assessment and including forward looking information.

The company assumes that the credit risk on a financial asset has increased significantly if its is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are portion of ECLs that results from default events that are possible within 12 month after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The maximum period is considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Loss allowances for the financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectation of recovering of a financial asset in its entirely or portion thereof. The company individually makes an assessment with the respect to timing and amount of write off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past year to base the calculation of ECL on adoption of IFRS 9. Given the company's experience of collection history and no historical loss rate / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of Company.

Loss allowance on other securities and bank balances is also measured at 12 month expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

b) Non- Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 <u>Dividend & Appropriation to reserves</u>

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.14 <u>Cash and Cash Equivalents</u>

Cash and cash equivalents are carried in the balance sheet at cost/amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.15 <u>Earning per share</u>

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.16 <u>Share Capital</u>

Ordinary shares are classified as equity and recognized at their fair value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.17 <u>Financial Instruments</u>

a) Financial Assets

i Initial Measurement

The Company classifies its financial assets in to following three categories:
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

ii **Subsequent Measurement**

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

b) **Financial Liabilities**

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

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

iii Derecognition

(a) Financial Assets

The Company derecognises 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.

(b) 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 non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.18 <u>Settlement date accounting</u>

- All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the transaction is settled. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

3.19 **Off Setting of Financial Assets and Financial Liabilities**

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. PROPERTY AND EQUIPMENT

	Freehold land	Building on freehold land	Furniture & fixtures	Office equipment	Computers	Vehicles	Total
As at 01 July 2017							
Cost	164,257,807	52,112,577	2,746,201	16,622,108	15,427,103	47,540,422	298,706,218
Accumulated Depreciation	-	31,532,783	1,682,400	8,546,597	11,917,267	15,900,388	69,579,435
Net Book Value	164,257,807	20,579,794	1,063,801	8,075,511	3,509,836	31,640,034	229,126,783
Year ended 30 June 2017							
Opening Net Book Value	164,257,807	20,579,794	1,063,801	8,075,511	3,509,836	31,640,034	229,126,783
Additions	-	-		401,820	852,691	5,915,509	7,170,020
Disposals							
Cost	-	-	-	-	-	(4,363,700)	(4,363,700)
Accumulated Depreciation	-	-	-	-	-	2,209,594	2,209,594
	-	-	-	-	-	(2,154,106)	(2,154,106)
Depreciation	-	(2,057,979)	(106,380)	(826,403)	(1,139,308)	(6,671,489)	(10,801,559)
Closing Net Book Value	164,257,807	18,521,815	957,421	7,650,928	3,223,219	28,729,948	223,341,138
As at 30 June 2018							
Cost	164,257,807	52,112,577	2,746,201	17,023,928	16,279,794	49,092,231	301,512,538
Accumulated Depreciation	-	33,590,762	1,788,780	9,373,000	13,056,575	20,362,283	78,171,400
Net Book Value	164,257,807	18,521,815	957,421	7,650,928	3,223,219	28,729,948	223,341,138
Year ended 30 June 2019							
Opening Net Book Value	164,257,807	18,521,815	957,421	7,650,928	3,223,219	28,729,948	223,341,138
Additions	-	-	124,000	2,642,808	1,743,187	215,960	4,725,955
Disposals							
Cost	-	-	-	-	-	(2,253,560)	(2,253,560)
Accumulated Depreciation	-	-	-	-	-	447,016	447,016
	-	-	-	-	-	(1,806,544)	(1,806,544)
Depreciation	-	(1,852,182)	(105,458)	(857,612)	(1,268,921)	(5,566,726)	(9,650,899)
Closing Net Book Value	**164,257,807**	**16,669,634**	**975,963**	**9,436,124**	**3,697,484**	**21,572,638**	**216,609,650**
As at 30 June 2019							
Cost	164,257,807	52,112,577	2,870,201	19,666,736	18,022,981	47,054,631	303,984,933
Accumulated Depreciation	-	35,442,944	1,894,238	10,230,612	14,325,496	25,481,993	87,375,283
Net Book Value	**164,257,807**	**16,669,633**	**975,963**	**9,436,124**	**3,697,485**	**21,572,638**	**216,609,650**
Rate of Depreciation (%)	-	10%	10%	10%	30%	20%	

4.1 Particulars of disposal of Property and Equipment are as follows:

Sr#	Description	Buyer	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (Loss)
1.	Motor Car	3rd Party	Negotiation	2,253,560	447,016	1,806,544	1,825,000	18,456
				2,253,560	**447,016**	**1,806,544**	**1,825,000**	**18,456**

	Note	2019	2018
		Rupees	
5 INTINTANGIBLE ASSETS			
Computer Software	5.1	**1,013,903**	1,434,103
Membership card	5.2	**750,000**	750,000
Trading rights entitlement certificate	5.3	**640,000**	640,000
		2,403,903	2,824,103

5.1 COMPUTER SOFTWARE - FINITE USEFUL LIFE

	2019	2018
As at July 1,		
Cost	**7,082,279**	6,502,279
Accumulated amortization	**5,648,176**	5,343,023
Net Book Value	**1,434,103**	1,159,256
Year ended June 30,		
Opening Net Book Value	**1,434,103**	1,159,256
Additions	-	580,000
Amortization	**(420,200)**	(305,153)

Closing Net Book Value		**1,013,903**	1,434,103

As at June 30,		
Cost	**7,082,279**	7,082,279
Accumulated amortization	**6,068,376**	5,648,176
Net Book Value	**1,013,903**	1,434,103
	20%	20%

5.2 MEMBERSHIP CARD - INFINITE USEFUL LIFE

Pakistan Mercantile Exchange Limited	**750,000**	750,000
	750,000	750,000

5.3 TRADING RIGHTS ENTITLEMENT CERTIFICATE - INFINITE USEFUL LIFE

Pakistan Stock Exchange Limited - at cost	5.3.1	**640,000**	640,000
		640,000	640,000

5.3.1 This represents trading rights in Pakistan Stock Exchange which had replaced membership cards of stock exchanges pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 Act). Subsequently from 11th January 2016 Lahore, Islamabad and Karachi Stock Exchanges have been integrated to form Pakistan Stock Exchange with the approval of SECP. Before demutualization in 2012 the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore the membership cards were replaced by shares in the exchange representing ownership in the exchange and trading rights entitlement certificates (TREC) representing rights to trade in the exchange in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the act) and with regulation 6 of the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012.

These have been carried at cost less impairment. The ownership in a stock exchange segregated from the right to trade on the exchange. Accordingly the company has received equity shares of PSX and a Trading Right Entitlement Certificates (TRECs) in lieu of its membership card of PSX.

The notional value of the TRE Certificate was Rs. 2.5 Million for the purposes of Base Minimum Capital. The base minimum capital being maintained by the company is regularly monitored by the SECP.
The Break up Value being used for determining the Base Minimum Capital for LSE shares is Rs. 21.75 based on LSE accounts of 31 December 2018.

	Note	*2019*	*2018*
		Rupees	
6. LONG TERM DEPOSITS			
Deposit with Central Depository Company of Pakistan Limited.		**100,000**	100,000
Mobile deposit		**101,500**	101,500
Electricity & Sui gas deposit		**110,200**	110,200
Deposit with NCCPL.		**300,000**	400,000
Building deposit with PMEX		**2,500,000**	2,500,000
Clearing deposit with PMEX.		**6,000,805**	5,958,912
Deposit for Sialkot and Faisalabad trading Floors & booth		**100,000**	100,000
Security Deposit LSE Financial Services Limited		**30,000**	30,000
Security Deposit (NCCPL) DFC		**1,000,000**	1,000,000
Deposit with PSO		**300,000**	300,000
Exposure deposit with PSX		**22,500,000**	22,500,000
		33,042,505	33,100,612

6.1 This includes deposits placed with Pakistan Stock Exchange Limited for taking exposure in regular, future market and cash deposited against BMC.

6.2 This represent deposits placed with Pakistan Mercantile Exchange for taking exposures in commodity market.

7. LONG TERM INVESTMENT

Amortized cost - unquoted at cost:			
843,975 Ordinary shares of LSE Financial Services Limited	7.1	**1,360,000**	1,360,000

7.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 843,975 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX.

7.2 The break up share value of LSE Financial Services Limited as at December 31, 2018 was Rs. 21.75/- per share.

8. TRADE DEBTS - UNSECURED AND CONSIDERED GOOD

Trade Debts	**3,128,152**	2,481,594
Less: provision for doubtful debts	**-**	-
	3,128,152	2,481,594

8.1 This includes Rs. NIL (2018: NIL) due from related parties.

Name of Related Party	Maximum aggregate amount outstanding with reference to Month end balance
1. Syed Awais Ali Abbasi	89
	89

8.2 Aging Analysis

Upto fourteen days	754,843	585,009
More than fourteen days	2,373,309	1,896,585
	3,128,152	2,481,594

9. SHORT TERM INVESTMENTS

Fair Value through profit or loss:			
Shares of listed companies - at fair value	9.1	41,482,885	69,602,081
		41,482,885	69,602,081

9.1 In Shares of quoted Company

Name of Securities	Number of Shares 2019	2018	2019 Rupees	2018
ENGRO FOODS	162,500	150,000	9,478,625	13,359,000
SAIF POWER LTD	86,000	86,000	1,613,360	2,278,140
GHANI GLASS	-	24,000	-	1,480,320
BIAFO INDUSTRIES	24,000	20,000	3,852,000	6,399,600
AGP LIMITED	-	13,000	-	1,154,270
WAH NOBLE CHEMICAL	-	5,500	-	1,182,500
INTERNATIONAL STEEL	10,000	-	397,100	-
MATCO FOODS LIMITED	95,000	-	2,566,900	-
NISHAT CHUNIAN LIMITED	200,000	-	7,004,000	-
PIAA	71,000	-	320,210	-
RELIANCE WEAVING MILLS	15,000	-	367,350	-
PACKAGES LTD	-	2,500	-	1,224,300
GENERAL TYRES & RUBBER	50,500	27,500	2,601,255	4,570,500
KOT ADDU POWER CO.	50,500	50,500	1,837,190	2,722,455
TARIQ GLASS INDUSTRIES	25,000	25,100	1,915,750	2,689,716
FAUJI FOODS LIMITED	100,000	882,500	1,319,000	28,487,100
GHANI GASES LIMITED	-	251,500	-	4,054,180
K - ELECTRIC	500,000	-	2,195,000	-
PAKISTAN PETROLEUM	31,500	-	4,549,545	-
THE SEARLE PAKISTAN	10,000	-	1,465,600	-
			41,482,885	69,602,081

9.2 **Unrealized (loss) / gain on remeasurement of short term investments as of the reporting date**

Market value of the investments	41,482,885	69,602,081
Cost of the investments	65,813,267	73,396,614
	(24,330,382)	(3,794,533)

9.3 **Movement in unrealized (loss) / gain on remeasurement of short term investments**

At the beginning of the year	(3,794,533)	(3,416,794)
Net unrealized (loss) / gain in value of investment for the year	(20,535,849)	(377,739)
At the end of the year	(24,330,382)	(3,794,533)

9.4 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2019 amounted to Rs. 790.42 million (2018: Rs. 1,149.18 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	June 30, 2019 Number of securities	June 30, 2019 Amount *(Rupees)*	June 30, 2018 Number of securities	June 30, 2018 Amount *(Rupees)*
Client	66,598,627	790,420,476	55,536,521	1,149,182,898
House	-	-	-	-
Total	66,598,627	790,420,476	55,536,521	1,149,182,898

	Note	2019 Rupees	2018
10. ADVANCES, PREPAYMENTS OTHER RECEIVABLES			
Advances to employees		4,304,000	3,121,500
Advance Income tax		6,134,346	2,531,555
Other advances		539,782	32,336
Prepayments		352,516	531,106
		11,330,644	6,216,497

11. CASH AND BANK BALANCES

Cash in hand		634,947	460,481
Cash at bank			
-In Current accounts	11.2	109,440,630	136,920,063
-In Saving accounts	11.1 & 11.2	97,890,979	101,729,364
		207,331,609	238,649,427
		207,966,556	239,109,908

11.1 This carries profit rate of 5.44% (2018: 4.00%) per annum.

11.2 Cash at bank

-House Account	53,743,447	81,755,809
-Client Account	99,669,288	128,397,046
-PMEX Account	53,918,874	28,496,572
	207,331,609	238,649,427

12. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

6,611,000 (2018: 6,611,000) Ordinary share of Rs. 10/- each fully paid in cash.		66,110,000	66,110,000
400,000 Ordinary share of Rs. 10/- each issued for consideration other than cash.		4,000,000	4,000,000
	32	70,110,000	70,110,000

12.1

	2019	2018	2019	2018
	(Number of Shares)		*Rupees*	
Authorized Capital				
Ordinary shares of Rs. 10/- each	20,000,000	20,000,000	200,000,000	200,000,000
Issued, Subscribed and Paid-up Capital				
Ordinary shares of Rs. 10/- each for cash	6,611,000	6,611,000	66,110,000	66,110,000
Ordinay shares of Rs. 10/- each issued for consideration other than cash	400,000	400,000	4,000,000	4,000,000
	7,011,000	7,011,000	70,110,000	70,110,000

12.2 There is only one class of ordinary shares

13. RESERVES

Capital reserve		
Share premium reserves	98,350,000	98,350,000
Revenue reserve		
General Reserve	200,000,000	200,000,000
Unrealized gain on re-measurement of available for sale investments	-	(3,794,533)
Un-appropriated profit	45,476,341	74,457,767
	245,476,341	270,663,234
	343,826,341	369,013,234

		2019	2018
		Rupees	

14. DEFERRED TAX - NET

Deferred taxation	14.1	-	4,360,704

14.1 Deferred tax liabilities on taxable temporary differences:

Accelerated tax depreciation	5,441,719	6,160,678
Differed tax asset on deductible temporary differences:		
Business Loss	(4,786,399)	(1,799,974)
Minimum tax on brokerage commission	(655,319)	-
	-	4,360,704

14.2 The company, based on the future projections, has recognized deferred tax assets only to the extent of deferred tax liabilities amounting, in aggregate to Rs. 5.442 million. The company has not recognized further deferred tax asset amounting to Rs. 2.879 Million pertaining to Business Losses & FV Remeasurement of Investment.

15. TRADE AND OTHER PAYABLES

Creditors	99,669,288	128,397,046
Accrued expenses	650,763	595,320
Margin with PMEX payable to clients	81,398,296	26,427,272
Other liabilities	6,468,403	5,506,968
	188,186,750	160,926,606

15.1 This includes Rs. NIL (2018: NIL) due to related parties.

Name of Related Party	Maximum aggregate amount outstanding with reference to Month end balance
1. Syed Muhammad Ismail Abbasi	6,990,351
2. Syed Awais Ali Abbasi	44,334
3. Syed Farooq Ali Abbasi	127,129
	7,161,814

16. CONTINGENCIES AND COMITTMENTS

There are no contingencies and commitments as at 30 June 2019 (2018: Nil)

	Note	2019	2018
		Rupees	
17. BROKERAGE REVENUE			
Brokerage Income		39,203,960	46,564,839
PMEX Income		5,379,042	5,671,945
		44,583,001	52,236,784
18. DIVIDEND INCOME			
		2,101,213	2,549,053
		2,101,213	2,549,053
19. FINANCE COST			
Bank charges		14,154	13,442
		14,154	13,442
20. ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		5,315,400	6,130,400
Salaries and other benefits		22,108,362	23,158,723
Provident Fund		1,050,384	875,108
Utility expenses		4,350,610	3,669,619
Travelling and conveyance		100,990	20,930
Agent commission		1,676,097	2,328,583
Fax & Internet expenses		2,415,003	2,263,903
Postage and telegram & SMS charges		344,396	631,767
Parcels		481,823	355,321
Insurance		1,033,090	1,150,981
Auditors' Remuneration	20.1	250,000	250,000
Legal and professional charges		1,712,915	673,000
Vehicle running and maintenance		3,469,019	2,807,952
Newspapers and periodicals		67,077	55,348
Printing and stationery		804,914	636,834
Repair and maintenance		2,927,788	2,312,180
Fee and subscription		2,476,469	2,215,196
Rent, Rates & Taxes		1,032,997	1,081,823
Donation		451,860	853,740
Entertainment		715,348	906,590
Computer expenses		1,177,073	534,460
Other expenses		1,153,762	217,643
Amortization	5.1	420,200	305,153
Depreciation	4.	9,650,899	10,801,559
		65,186,476	64,236,812
20.1 Auditors' remuneration			
Annual audit fee		250,000	250,000
		250,000	250,000
21. OTHER INCOME			
Income from financial assets			
Interest / profit			
- on deposits with banks		5,583,495	2,430,395
Income from non financial assets			
Miscellaneous income		6,380	9,632
Gain on sale of property, plant and equipment	4.1	18,456	466,894
Client facilitation & services		462,142	972,597
Return on PSX Exposure deposit & PMEX deposit		1,237,788	885,987
Income from Trade on Gold Mini		534,281	-
		7,842,542	4,765,505

	Note	2019	2018
		Rupees	
22. TAXATION			
Current			
- For the year		1,470,127	2,827,939
- Prior years		100,000	(225,091)
Deferred			
- For the year		(4,360,704)	(2,778,009)
		(2,790,576)	(175,161)

22.1 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2018. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

23. BASIC AND DILUTED LOSS PER SHARE

There is no dilutive effect on the basic loss per share of the company, which is based on :

Loss after taxation	(25,186,893)	(6,729,318)
Weighted average number of Ordinary shares	7,011,000	6,673,685
Loss per share (Rupees)	(3.59)	(1.01)

24. REMUNERATION OF CHIEF EXECUTIVE & DIRECTORS

The aggregate amount charged in the accounts during the year for remuneration including benefits to Executives is as follows:

	30-Jun-19			30-Jun-18		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Remuneration	2,107,800	3,207,600	9,624,000	2,369,800	3,760,600	10,185,632
Provident Fund	140,004	212,808	434,400	134,664	203,468	361,724
	2,247,804	3,420,408	10,058,400	2,504,464	3,964,068	10,547,356
Number of Persons	1	2	11	1	2	9

No meeting fee has been paid to any director of the company during the year (2018: Rs. Nil). Five Executives are provided with company maintained car for business and personal use.

25. RELATED PARTY DISCLOSURES

Related parties comprise entities with common directorship or under influence, directors and key management personnel. Details of transactions with related parties during the year have specifically been disclosed elsewhere in these financial statements, where applicable.

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

26.1 *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible 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. The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. 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.

A Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee is assisted in its oversight role by Internal Audit department. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

	Note	2019	2018
		Rupees	

26.2 *Financial assets and liabilities by category and their respective maturities*

	30 June 2019		30 June 2018	
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year
	Rs.			
Financial Asset				
At Amortized Cost				
Long term deposits	-	33,042,505	-	33,100,612
Long term investment	-	1,360,000	-	1,360,000
Trade debts - unsecured and considered good	3,128,152	-	2,481,594	-
Advances, prepayments and other receivables	4,843,782	-	3,153,836	-
Margin Deposit with PMEX	84,798,796	-	26,374,611	-
Cash and bank balances	207,966,556	-	239,109,908	-
Fair value through profit or loss				
Short Term Investments	41,482,885	-	69,602,081	-
Total	342,220,172	34,402,505	340,722,030	34,460,612

	30 June 2019		30 June 2018	
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year
	------------------ Rs. ------------------			
Other Financial Liabilities at Amortized cost				
Trade Payables	99,669,288	-	128,397,046	-
Accruals	650,763	-	595,320	-
Margin with PMEX payable to clients	81,398,296	-	26,427,272	-
Other payables	6,468,403	-	5,506,968	-
Total	**188,186,750**	-	160,926,606	-

26.3 *Fair Values estimate*

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

i) Fair value at initial recognition

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, Long term investment, and Employee Vehicle Scheme the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits, long term investment and employee vehicle scheme has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used

For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

iii) Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition

The company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation. The short term investments held for trading has been categorized as level 1.

	Level	June 30, 2019		June 30, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		--------------- Rupees ---------------			
Financial assets carried at Fair Value:					
Short Term Investments	Level 1	41,482,885	41,482,885	69,602,081	69,602,081

iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost.

v) Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods;

a) Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

26.4 ***Financial Risk Factors***

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

26.5 ***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 to account 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 causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. 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.

Exposure to credit risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, deposits, long term investments and short term investments 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 net 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 management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

	Note	2019	2018
		Rupees	
The carrying amount of financial assets represent the maximum credit exposure, as specified below;			
At Amortized Cost			
Long term deposits		**33,042,505**	33,100,612
Long term investment		**1,360,000**	1,360,000
Trade debts - unsecured and considered good		**3,128,152**	2,481,594
Advances, prepayments and other receivables		**4,843,782**	3,153,836
Margin Deposit with PMEX		**84,798,796**	26,374,611
Bank balances		**207,331,609**	238,649,427
Fair Value through Profit or Loss			
Short Term Investments		**41,482,885**	69,602,081
		375,987,730	374,722,161

i) Credit quality and impairment:

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Counterparties, with the exception of long-term deposits, long term investment, trade debts and other receivables have external credit ratings determined by various credit rating agencies.

a) Counterparties without external credit ratings:

The counterparties for which external credit ratings are not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations. These mainly include long-term deposits, long term investment, trade debts and other receivables which are considered good.

b) Counterparties with external credit ratings:

These include banking companies and financial institutions which are counterparties to cash deposits, term deposits & margin deposits thereon etc.

Following are the credit ratings of the counterparties with external credit ratings:

Bank Name	Agency	ST Rating	LT Rating	2019	2018
MCB Bank Ltd	PACRA	A-1+	AAA	**6,400,781**	1,492,948
Allied Bank Ltd	PACRA	A-1+	AAA	**171,241**	171,346
Habib Bank Ltd	VIS	A-1+	AAA	**17,856**	17,856
Bank Al Habib Ltd	PACRA	A-1+	AA+	**200,741,731**	236,967,277
				207,331,609	238,649,427

26.6 **LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. The following are the contractual maturities of the financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

	2019	2018
Maturity up to One Year:		
Trade Payables	**99,669,288**	128,397,046
Accruals	**650,763**	595,320
Margin with PMEX payable to clients	**81,398,296**	26,427,272
Other payables	**6,468,403**	5,506,968
	188,186,750	160,926,606

26.7 **MARKET RISK**

Market risk means that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as, foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest rate risk and price risk. The market risk associated with the company's business activities are discussed as under:

Foreign Exchange Risk Management

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to currency risk as the company does not maintain bank accounts in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The company's interest rate risk arises from short term cash finance facility. The company analyzes its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 41.482 Million (2018: Rs. 69.602 Million) at the balance sheet date. The company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Sensitivity analysis

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 will not effect fair value of any financial instrument.

27. CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders: and to maintain strong capital base to support the development of its business.

The company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the company may adjust amount of dividend paid to shareholders or issue new shares. The company is not subject to externally imposed capital requirements.

28. NUMBER OF EMPLOYEES

Number of employees at year end	**51**	50
Average number of employees during the year	**51**	50

29. PROVIDENT FUND TRUST

The Company has maintained an employees' provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. The information of the fund is based on un-audited financial statements of the fund for the year ended 30 June 2019:

Size of Fund		**15,323,946**	13,043,914
Cost of Investments made	29.1	**925,200**	-
Percentage of Investments made		**6.04%**	0.00%
Fair value of investments		-	-

29.1 These represent investments in shares of listed equity securities and funds.

29.2 Balance in Scheduled Banks

Saving Account	**14,398,746**	13,043,914

30. DETAIL OF SECURITIES AS PER BACK OFFICE RECORD AND CDC RECORD

As per Back Office Record	Own Account	Client Account	As per CDC Record	Own Account	Client Account
	No. of Shares		No. Of Shares		
Securities Held	1,431,000	263,764,897	Securities Available	1,230,500	127,826,452
			Securities Pledged with PSX.	200,500	180,000
			Securities Pledged with Banks	-	66,598,627
			Securities Freeze with CDC	-	69,092,088
			Reconciling Entries:		
			1-Physical Securities.	-	-
			2-Transfer Sec. For CDC.	-	2,151
			3-Pending Out Securities	-	65,579
Total	1,431,000	263,764,897	Total	1,431,000	263,764,897

31. DETAIL OF SECURITIES PLEDGED

	No. of Shares	Amount
-House Account	200,500	10,586,690
-Client Account	66,778,627	792,686,375.80
	66,979,127	**803,273,066**

32. PATTERN OF SHARE HOLDING

CATEGORIES OF SHAREHOLDERS			
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	SHAREHOLDERS	SHARES HELD	PERCENTAGE
NAME:-	5		
1 - Syed Muhammad Ismail Abbasi		4,886,790	69.70%
2 - Syed Awais Ali Abbasi		3,505	0.05%
3 - Syed Farooq Ali Abbasi		641,638	9.15%
4 - Mrs. Yasmeen Ismail		904,419	12.90%
5 - Syed Muhammad Umar Abbasi		574,648	8.20%
Associated Companies, Undertakings and related	NIL	NIL	NIL
Executives	NIL	NIL	NIL
Public Sector Companies and Corporations	NIL	NIL	NIL
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds.	NIL	NIL	NIL
Others	NIL	NIL	NIL
TOTAL	5	7,011,000	100.00%

SHAREHOLDERS HOLDING 5% OR MORE.

NAME	SHARES HELD	PERCENTAGE
Syed Muhammad Ismail Abbasi	4,886,790	69.70%
Syed Farooq Ali Abbasi	641,638	9.15%
Mrs. Yasmeen Ismail	904,419	12.90%
Syed Muhammad Umar Abbasi	574,648	8.20%

34. CAPITAL ADEQUACY LEVEL

The Capital adequacy level as required by CDC is calculated as follows;

Total Assets	603,983,091	604,410,544
Less: Total Liabilities	(188,186,750)	(165,287,310)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	415,796,341	439,123,234

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by Abbasi & Company (Private) Limited as at June 30, 2019 as determined by Pakistan Stock Exchange has been considered.

35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 October 2019 by the Board of Directors of the Company.

36. CORRESPONDING FIGURES

Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. Rearrangements have been made in these financial statements for better presentation of the financial statements.

37. GENERAL

- Figures have been rounded off to the nearest rupee.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi
DIRECTOR

DIRECTORS' REPORT

The Directors of the Company take pleasure in presenting directors' report together with the company's audited annual financial statements for the year ended JUNE 30, 2019.

FINANCIAL RESULTS

The operating results for the year ended review are as under:

	As On June 30, 2019
(Loss)/Profit Before Taxation	(27,977,469.00)
Taxation	2,790,576.00
(Loss)/Profit After Taxation	**(25,186,893.00)**
Balance Brought Forward From Previous Year	70,663,234.00
Un-appropriated (Loss)/Profit Carried Forward	**45,476,341.00**
Earnings Per Share (EPS)	(3.59)

COMPANY PERFORMANCE

The Year under review shows a regressive year for the Company. The financial result during the year show huge decrease in terms of brokerage revenue as compared to last year.

FUTURE PROSPECTS

The company expect better prospects in the coming years and the Directors by the Grace of Allah hope that during the coming years brokerage income and capital gain of the company will increase. The Directors are making continuous efforts to expand its current customer base.

AUDITORS

The present statutory auditor of company **M/S PARKER RANDALL INTERNATIONAL Chartered** Accountants retire and being eligible have offered them self for appointment.

ACKNOWLEDGEMENT

The Board of Directors appreciates the hard work of the entire team of employees of the Company and applauds the cordial relationship that exists between the employees and the management.

We bow, beg and pray to Almighty Allah, Rahman-e-Rahim, in the name of our beloved Prophet, Muhammad, peace be upon him, for continued showering of His Blessing, Guidance, and Prosperity on us, our company and our beloved country Pakistan. (AMEEN)

For and on behalf of the Board of Directors

Syed Muhammad Ismail Abbasi
Chief Executive

Lahore.
October 04th., 2019