

Zillion Capital Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2020



DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2020. The Summarized results for the year ended 30th June 2020 are as under:

Financial results	2020
Operating Revenue	3,082,652
Loss before Taxation	(9,768,523)
Taxation	(193,315)
Loss after Tax	(9,961,838)

AUDITORS:

The auditors M/S UHY Hassan Naeem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board

Mr. Imtiaz Ibrahim

Chief Executive

Date: 24 SEP 2020

Karachi



Mr. Asif Ibrahim

Executive Director

INDEPENDENT AUDITOR'S REPORT

To the members of ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statement of **ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**, which comprise the statement of financial position as at **June 30, 2020** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flow 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, 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, 2020 and of the loss for the year then ended; and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 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

operation, or has no realistic alternative but to do so. Boards 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 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.

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**

UHY Hassan Naeem & Co.

KARACHI

DATE: 24TH September, 2020

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	1,869,756	2,179,609
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through comprehensive income	6	10,703,821	14,055,522
Long term deposits	7	7,450,000	7,450,000
		22,773,577	26,435,131
<u>CURRENT ASSETS</u>			
Trade debts	8	38,325,630	61,140,687
Investment at fair value through profit & loss	9	40,705,626	35,390,556
Advances, deposits, prepayments and other receivables	10	14,286,451	14,937,876
Cash and bank balances	11	8,769,933	4,874,589
		102,087,640	116,343,708
		<u>124,861,217</u>	<u>142,778,839</u>
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL RESERVES</u>			
Authorized capital	12.1	150,000,000	150,000,000
Issued, subscribed and paid-up capital	12.2	101,500,000	101,500,000
Unappropriated profit		(25,141,663)	(15,179,826)
Surplus/(Deficit) - Investment through other comprehensive income		1,976,110	5,327,811
		78,334,446	91,647,985
<u>LIABILITIES</u>			
<u>NON-CURRENT LIABILITIES</u>			
Long term loan	13	7,500,000	7,500,000
<u>CURRENT LIABILITIES</u>			
Trade and other payable	14	10,736,585	8,330,867
Short term running finance	15	28,290,186	35,299,987
		39,026,771	43,630,854
Contingencies and commitments	16	-	-
		<u>124,861,217</u>	<u>142,778,839</u>

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


 Chief Executive




 Director


ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
Revenue from contract with customers	17	3,082,652	3,783,814
Operating and administrative expenses	18	(10,560,239)	(11,629,109)
Operating (Loss)		(7,477,587)	(7,845,295)
loss Allowance		(5,000,000)	-
Finance cost	19	(5,694,051)	(5,548,260)
Other income	20	8,403,116	(38,420,434)
NET(LOSS) BEFORE TAXATION		<u>(9,768,523)</u>	<u>(51,813,989)</u>
Taxation	21	(193,315)	(332,074)
NET (LOSS) AFTER TAXATION		<u><u>(9,961,838)</u></u>	<u><u>(52,146,063)</u></u>
(loss) per share-basic and diluted		<u><u>(9.81)</u></u>	<u><u>(51.38)</u></u>

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


 Chief Executive




 Director

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 <i>(Rupees)</i>	2019 <i>(Rupees)</i>
(loss) for the year	(9,961,838)	(52,146,063)
Other comprehensive income:		
Unrealised loss on revaluation of investments at fair value through other comprehensive income	(3,351,701)	(7,298,059)
TOTAL COMPREHENSIVE INCOME	<u><u>(13,313,539)</u></u>	<u><u>(59,444,122)</u></u>

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



Chief Executive



Director


ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/ (Deficit) - Investment- (FVTOCI)	Total
<i>Rupees</i>				
Balance as at June 30, 2018	101,500,000	36,966,237	12,625,870	151,092,107
Net (loss) for the year	-	(52,146,063)	-	(52,146,063)
surplus/(Deficit) on Investment at fair value through OCI	-	-	(7,298,059)	(7,298,059)
Balance as at June 30, 2019	101,500,000	(15,179,826)	5,327,811	91,647,985
Net (loss) for the year	-	(9,961,838)	-	(9,961,838)
surplus/(Deficit) on Investment at fair value through OCI	-	-	(3,351,701)	(3,351,701)
Balance as at June 30, 2020	101,500,000	(25,141,663)	1,976,110	78,334,446

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


 Chief Executive




 Director

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

	2020 (Rupees)	2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(9,768,523)	(51,813,989)
Adjustment for non-cash items:		
Depreciation	385,452	1,240,744
Capital Gain - Investment available for sale	(7,106,360)	41,678,225
Dividend income	(984,331)	(2,065,143)
Gain on disposal of fixed assets	-	(1,157,355)
Finance cost	5,694,051	5,548,260
Impairment-TREC	-	-
Operating profit before working capital changes	(2,011,187)	45,244,731
Changes in working capital		
(Increase)/decrease in trade debts	22,815,057	(15,510,478)
Decrease in advances, deposits and prepayments	645,883	28,572,317
Increase/(Decrease) in trade and other payable	2,405,718	(1,954,883)
Net changes in working capital	25,866,658	11,106,956
Finance cost paid	(5,694,051)	(5,548,260)
Taxes paid	(187,773)	(1,076,487)
Net cash generated from operating activities	8,205,124	(2,087,048)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(75,600)	(4,415,905)
Proceeds from sale of Investment	1,791,290	6,706,316
Dividend received	984,331	2,065,143
Short term investment	-	311,342
Net cash generated from investing activities	2,700,021	4,666,895
CASH FLOWS FROM FINANCING ACTIVITIES		
short term loan	-	-
short term running finance	(7,009,801)	(6,456,557)
Loan from directors	-	-
Net cash generated from financing activities	(7,009,801)	(6,456,557)
Net increase in cash and cash equivalent	3,895,344	(3,876,710)
Cash and cash equivalent at beginning of the year	4,874,589	8,751,299
Cash and cash equivalent at end of the year	8,769,933	4,874,589

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



Chief Executive




Director

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 Legal Status and Nature of Business

Zillion Capital Securities (Private) limited was incorporated under the Companies Ordinance, 1984 on June 07, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at room no 727-729, 7th floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2017. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company.

2.4 Critical Accounting Estimates and Judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, value of intangibles and provision for doubtful receivables.

2.5 New Accounting pronouncements

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:

Description effective for periods		Effective for periods beginning on or after
IAS 1	Presentation of financial statements (Amendments)	January 01, 2020
IAS 41	Agriculture (Amendments)	January 01, 2022
IFRS 09	Financial Instruments (Amendments)	January 01, 2022
IFRS 16	Leases (Amendments)	June 01, 2020

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.

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.

Description effective for periods		Effective for periods beginning on or after
IFRS 01	First time adoption of International Financial Reporting Standards	July 01, 2009
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 17	Insurance Contract	January 01, 2022

3 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Taxation

Income tax expense comprises of current, and prior year. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity

3.1.1 Current

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of prior years.

3.1.2 Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax base and carrying amount of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. 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 its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using Reducing balance method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.3 Intangible Assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using the straight line method over assets estimated useful life at the rates stated therein, after taking into account residual value, if any. The residual values, useful lives and amortization methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed of. Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

3.4 Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a pretax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. 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 previously. Reversal of an impairment loss is recognized immediately in profit and loss account.

3.5 Financial Instruments

3.5.1 The company classifies its financial assets in the following three categories:

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

a) Financial assets at amortized cost:

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

b) Financial assets at FVOCI:

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

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 outstanding; or

It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the company at initial recognition.

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

c) Financial assets at FVTPL:

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

Such financial asset is initially measure at fair value.

3.5.2 Initial recognition:

The company recognizes an investment when and only when it becomes party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments is recognized using settlement date accounting. I.e. on the date which settlement of purchase transaction takes place. However, the company follows trade date accounting for its own (the house) investments. Trade date is the date on which the company commits to purchase or sell its asset.

3.5.3 Subsequent measurement:

a) Financial asset measured at amortized cost

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

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

b) Financial asset at FVOCI

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

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

c) Financial asset at FVPL

These assets are subsequently measured at fair value.

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

3.5.4 Impairment:

The company's financial asset that is subject to impairment requirements of IFRS 9 is trade and other receivables.

The company applies the IFRS 09 'simplified approach' to measuring expected credit losses which uses a lifetime expected credit loss allowance. The company measures expected credit losses in a way that reflects an unbiased and probability weighted amount, time value of money and reasonable and supportable information at reporting date about past events, current conditions, and forecast of future economic conditions. The company recognizes in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.6 offsetting of financial assets and financial liabilities:

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the company has a legal right to set off the transactions and also intends either to set on a net basis or to realize the asset and liability simultaneously.

3.7 Trade Debts:

Trade debts and other receivables are stated initially at amortized cost using effective interest rate method. Provision is made on the basis of life time ECLs that result from all the possible events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

3.8 Trade and Other Payables

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

3.9 Provisions

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

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

3.10 Revenue Recognition

- Brokerage income is recognized at a point in time as and when transaction is executed.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.

3.11 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.12 Related Party Transactions

Transactions in relation to sales purchase and services with related parties are made at arm's length price which is determined in accordance with the comparable uncontrolled price method. The related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors and key management employees.

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4. PROPERTY AND EQUIPMENT

Particulars	Cost				Rate %	Depreciation				W.D.V. As at Jun 30, 2020
	As at July 01, 2019	Additions	(Deletions)	As at Jun 30, 2020		As at July 01, 2019	For the year	Deletion	As at Jun 30, 2020	
	-----Rupees-----					-----Rupees-----				
Office Equipment	1,226,522	-	-	1,226,522	15%	885,663	- 51,129	-	936,792	289,730
Furniture & Fixtures	662,150	-	-	662,150	15%	602,223	8,989	-	611,212	50,938.13
Vehicles	2,872,500	-	-	2,872,500	15%	1,345,151	229,102	-	1,574,253	1,298,247
Computers	3,601,874	75,600	-	3,677,474	30%	3,350,400	96,232	-	3,446,632	230,842
June 30, 2020	8,363,046	75,600	-	8,438,646		6,183,437	385,452	-	6,568,890	1,869,756
June 30, 2019	10,365,946	4,415,905	(6,418,805)	8,363,046		5,812,539	1,240,744	(869,846)	6,183,437	2,179,609

2020
(Rupees) 2019
(Rupees)

5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)	5.1	5,000,000	5,000,000
Impairment - TREC		(2,500,000)	(2,500,000)
		2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		250,000	250,000
		2,750,000	2,750,000

5.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once the company intending to carry out shares brokerage business in the manner to be prescribed.

6. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in shares of Pakistan Stock Exchange	6.1	10,703,821	14,055,522
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6.1 This represents 1,081,194 (2019: 1,081,194) shares of Pakistan Stock Exchange.

	2020 (Rupees)	2019 (Rupees)
7 LONG TERM DEPOSITS		
Nccpl Basic Deposit	200,000	200,000
Nccpl Ready Market Deposit	200,000	200,000
Nccpl Future Market Deposit	1,000,000	1,000,000
Nccpl IPO Exposure Deposit	100,000	100,000
Ncel Building Management Limited Deposit	5,000,000	5,000,000
Ncel Membership Security Deposit	750,000	750,000
National Commodity Deposit	100,000	100,000
Central Depository Company of Pakistan	100,000	100,000
	<u>7,450,000</u>	<u>7,450,000</u>
8. TRADE DEBTS		
Trade debts	45,642,834	63,457,891
Provision for doubtful debts	(7,317,204)	(2,317,204)
	<u>38,325,630</u>	<u>61,140,687</u>
9. INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT		
Investment in quoted securities	40,705,626	35,390,556
9.1 Investment in various equity shares carried at market value.		
This includes securities amounting to Rs.10,177,027 pledge with PSX and Financial institution in respect of		
9.2 Exposure deposit and financing from bank.		
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advance tax - net	12,391,429	12,396,971
Advance to staff	235,851	156,351
Exposure deposit	517,413	1,618,082
MTS Exposure deposit	1,141,758	766,472
	<u>14,286,451</u>	<u>14,937,876</u>
11. CASH AND BANK BALANCES		
Cash in hand	60,000	60,000
Cash at bank- current	8,709,933	4,814,589
	<u>8,769,933</u>	<u>4,874,589</u>
11.1 This includes bank balances pertaining to clients amounting to Rs.8,493,841.		

12. SHARE CAPITAL

12.1 AUTHORIZED SHARE CAPITAL

2020	2019		2020	2019
Number of Shares			Amount	
<u>1,500,000</u>	<u>1,500,000</u>	ordinary shares of Rs. 100 each	<u>150,000,000</u>	<u>150,000,000</u>

12.2 ISSUED SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
<u>1,015,000</u>	<u>1,015,000</u>	ordinary shares of Rs. 100 each fully paid in cash	<u>101,500,000</u>	<u>101,500,000</u>

PATTERN OF SHAREHOLDING

	No of shares	%
i Mr Imtiaz (Director)	507,499	50.0%
ii Asif Ibrahim (Director)	1	0.0%
iii Abdul Aziz (Director)	50,750	5.0%
iv M.Irfan (Director)	126,875	12.5%
v Anis Haroon Kapadia (Shareholder)	76,125	7.5%
vi Muhammad Zafar (Shareholder)	126,875	12.5%
vii M Iqbal (Director)	126,875	12.5%
	<u>1,015,000</u>	

all changes in shareholding above 5 %

Share Issued

No Changes in shareholding during the year

13 LONG TERM LOAN

Long term loan	13.1	<u>7,500,000</u>	<u>7,500,000</u>
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13.1 This represents unsecured loan being repayable after two years interest will be charged at the rate of 8% per annum.

14. TRADE AND OTHER PAYABLE

		2020 (Rupees)	2019 (Rupees)
Credit balances of clients	14.1.	8,433,599	4,503,057
Accrued Expenses	14.4.	1,881,672	2,417,980
Other payable		421,314	1,409,830
		<u>10,736,585</u>	<u>8,330,867</u>
14.1 Credit balances of clients held by the company		<u>8,433,599</u>	<u>4,503,057</u>
Number of Securities of client held by the company		<u>15,323,484</u>	<u>15,373,509</u>
14.2 Securities of clients is pledged with Financial Institution.		<u>3,536,304</u>	<u>4,625,937</u>
14.3 Securities of the company is pledged with Financial Institution.		<u>720,744</u>	<u>899,544</u>

2020 2019
(Rupees)

14.4 ACCRUED EXPENSES

Telephone Bills Payable	16,230	-
CDc Bills payable	12,023	-
Electric Bills Payable	45,475	-
Tax Payable	389	10,160
Mark Up Payable on Long term loan	720,000	720,000
Mark Up Payable on running finance	912,555	1,512,820
Audit Fees Payable	175,000	175,000
	<u>1,881,672</u>	<u>2,417,980</u>

15 SHORT TERM-RUNNING FINANCE

Financing from Financial Institution.	15.1	<u>28,290,186</u>	<u>35,299,987</u>
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15.1 Running finance facilities of Rs 150 Million (2019: 150 Million) have been arranged from commercial banks under markup arrangement. The aggregate finance are secured against pledge of shares of listed companies and personal guarantee of directors of company. The markup charged on these facility ranges from 1 to 3 months KIBOR+2 % per annum on daily outstanding balances payable quarterly.

16. CONTINGENCIES AND COMMITMENTS

16.1. There were no contingencies and commitments as at June 30, 2020.

17. REVENUE FROM CONTRACT WITH CUSTOMERS

2020 2019
(Rupees)

Brokerage income	17.1	3,082,652	3,220,004
Markup on Margin Financing		-	563,810
		<u>3,082,652</u>	<u>3,783,814</u>

17.1 Brokerage Income- gross
Sales tax

3,543,278	3,638,604
(460,626)	(418,601)
<u>3,082,652</u>	<u>3,220,004</u>

18. OPERATING AND ADMINISTRATIVE EXPENSES

2020
2019
(Rupees)

Salaries, allowances and other benefits	18.1	6,918,330	7,217,948
Printing, stationary and periodicals		39,600	38,113
Utilities		437,639	361,744
Communication Expense		348,202	425,734
Rent, rates and taxes		474,143	310,200
Transaction charges		3,126	-
Fee and subscription		754,964	770,204
Insurance		127,905	54,774
Entertainment		163,425	181,935
Repair and Maintenance		136,054	225,933
Software Maintenance		310,530	626,780
Legal and Professional		25,000	-
Depreciation		385,452	1,240,744
Auditor's remuneration		175,000	175,000
Miscellaneous		260,869	-
		<u>10,560,239</u>	<u>11,629,109</u>

18.1 This includes Director Remuneration amounting to Rs 3000,000.

19. FINANCE COST

Bank charges	273,903	338,502
Markup on running finance	5,420,148	5,209,758
	<u>5,694,051</u>	<u>5,548,260</u>

20. OTHER INCOME

Capital Gain/(loss)-Investment at FVTPL	7,106,360	(41,678,225)
Dividend Income	984,331	2,065,143
Gain on Sale of Fixed Assets	-	1,157,355
Markup on Exposure Deposit	312,425	22,615
Other Income	-	12,679
	<u>8,403,116</u>	<u>(38,420,433)</u>

21. TAXATION

The Company has filed return for the tax year 2019. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Provision for taxation		
- Current year	21.1	193,315
- Deferred		284,776
Net tax charge		<u>193,315</u>
		<u>284,776</u>

21.1 The company has tax losses in the previous years, on which deferred tax asset will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

21.2 Relationship between tax expense and accounting profit

Profit/(loss) before taxation	<u>(9,768,523)</u>	<u>(51,813,989)</u>
Tax at the applicable rate 29% (2019:29%)	(2,832,872)	(15,026,057)
Tax effect of income taxed under FTR	(2,060,844)	12,086,685
Tax effect of income taxed under lower rate of tax	(137,806)	(289,120)
Deffered tax asset not recognized	6,674,837	3,513,268
	<u>1,643,315</u>	<u>284,776</u>

22 CAPITAL ADEQUACY LEVEL

	2020	2019
	<i>(Rupees)</i>	
Total Assets	<u>124,861,217</u>	<u>142,778,839</u>
Less: Total Liabilities	<u>(46,526,771)</u>	<u>(51,130,854)</u>
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	<u>78,334,446</u>	<u>91,647,985</u>

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Zillion Capital Securities (Private) Limited as at year ended 30th June 2020 determined by Pakistan Stock Exchange has been considered.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1. Financial Instrument by Category

23.1.1 Financial Assets

	2020			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and	-	-	7,450,000	7,450,000
Investment at fair value through OCI	-	10,703,821	-	10,703,821
Investment at fair value thorough P&L	40,705,626	-	-	40,705,626
Trade debts	-	-	38,325,630	38,325,630
Advances, deposits and prepayments	-	-	14,286,451	14,286,451
Bank balances	-	-	8,769,933	8,769,933
	<u>40,705,626</u>	<u>10,703,821</u>	<u>68,832,014</u>	<u>120,241,460</u>

	2019			Total
	At fair value through profit or loss	Available for sale	At Amortized Cost	
Long term loan, advances and	-	-	7,450,000	7,450,000
Investment at fair value through OCI	-	14,055,522	-	14,055,522
Investment at fair value thorough P&L	35,390,556	-	-	35,390,556
Trade debts	-	-	61,140,687	61,140,687
Advances, deposits and prepayments	-	-	14,937,876	14,937,876
Bank balances	-	-	4,874,589	4,874,589
	<u>35,390,556</u>	<u>14,055,522</u>	<u>88,403,152</u>	<u>137,849,230</u>

23.1.2 Financial Liabilities at Amortized Cost

	2020	
	Amount	Total
Long term loan	7,500,000	7,500,000
Short Term Running Finance	28,290,186	28,290,186
Trade and other Payables	10,736,585	10,736,585
	<u>46,526,771</u>	<u>46,526,771</u>

	2019	
	Amount	Total
Long term loan	7,500,000	7,500,000
Short Term Running Finance	35,299,986	35,299,986
Trade and other Payables	8,330,867	8,330,867
	<u>51,130,853</u>	<u>51,130,853</u>

23.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degress of risk.

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

- Credit risk
- Liquidty risk
- Market risk
- Operational risk

23.2.1 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 in to 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 fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The company did not allow credits to its customers and trade are executed on 100% margin.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2020	2019
	<i>Rupees</i>	
Long term deposits	7,450,000	7,450,000
Investment at fair value through other comprehensive income	10,703,821	14,055,522
Investment at fair value through Profit & Loss	40,705,626	35,390,557
Advances, deposits, prepayments and other receivable	1,895,022	2,540,905
Trade debts	38,325,630	61,140,687
Bank Balances	8,769,933	4,874,589
	<u>107,850,031</u>	<u>125,452,259</u>

23.2.2 Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

	2020	2019
	<i>Rupees</i>	
AAA	77,096	77,334
AA+	1,337,957	3,716,709
AA-	7,294,880	801,459
AA	-	107,887
A	-	111,200
	<u>8,709,933</u>	<u>4,814,589</u>

The long term rating above are taken from SBP website and the rating agencies are PACRA and VIS.

23.2.3 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

	2020				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	7,500,000	7,500,000	7,500,000		
ShortTerm Running Finance	28,290,186	28,290,186	28,290,186		
Trade and other	10,736,585	10,736,585	10,736,585	-	-
	<u>39,026,771</u>	<u>39,026,771</u>	<u>39,026,771</u>		

	2019				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	7,500,000	7,500,000	7,500,000	-	-
ShortTerm Running Finance	35,299,987	35,299,987	35,299,987	-	-
Trade and other	8,330,867	8,330,867	8,330,867	-	-
	<u>43,630,854</u>	<u>43,630,854</u>	<u>43,630,854</u>		

On the balance sheet date, the company has cash and bank balances of Rs. 8.03 Million (2019: 4 million) and short term investments of Rs 40 (2019: 35 million) for repayment of liabilities.

23.2.4 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 change in credit rating of the issuer or the instrument, management 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 and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is exposed to interest rate risk on borrowing at floating interest rate from bank. However the amount of loan is not significant to as compared to overall assets.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2020	<u>4,070,563</u>	<u>(4,070,563)</u>
as at 30th June 2019	<u>3,539,056</u>	<u>(3,539,056)</u>

23.3 Fair value of Financial instruments

The Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

The company annually hold listed assets amounting to Rs 51.4 million (2019: 49.4 million) that are recorded at quoted price.

23.4 Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies, directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	2020	2019
	Rupees	
Remuneration to Directors	3,000,000	3,000,000
Balances due from Directors	3,409,455	13,918,263
Balances due to Directors	569,349	650,152
Loan from Directors	7,500,000	7,500,000
	<u>14,478,804</u>	<u>25,068,415</u>

25 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

25.1 There were no significant impact on assets, liabilities, income and expenses of the company due to covid. Nor, it effects the company ability to continue as a going concern.

26. NUMBER OF EMPLOYEES

	2020	2019
	(Number of employees)	
Total number of employees at 30th June.	12	12

27. NET CAPITAL BALANCE AND LIQUID CAPITAL BALANCE

27.1 Net Capital Balance As At 30th June 2020

DESCRIPTION	VALUATION BASIS	VALUE
<u>CURRENT ASSETS</u>		
Cash in hand	As per book value	60,000
Cash at bank	Bank balances pertaining to house	216,092
	Bank balances pertaining to client	8,493,841
		8,709,933
Deposits against exposure and losses	As per book value	520,065
Trade Receivable	Book Value	45,642,864
	Less: overdue for more than 14 days	(43,952,256)
		1,690,608
Listed Securities in the name of	Market value	51,409,446
	Less: 15% discount	(7,711,417)
		43,698,029
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	2,110,321
		56,788,956
<u>CURRENT LIABILITIES</u>		
Trade Payable	Book value	8,433,599
	Less: Overdue for more than 30 days	(5,491,746)
		2,941,853
Other liabilities	Overdue for more than 30 days	5,491,746
	As classified under the generally accepted accounting principles.	30,593,172
		36,084,918
Net Capital Balance As At 30th June 2020		17,762,185

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	1,869,758	100	
1.2	Intangible Assets	2,750,000	100	
1.3	Investment in Govt. Securities (150,000*99)			
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.				
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.				
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)				
1.5		51,409,446	10976844	40,432,602
1.6	Investment in subsidiaries			
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			100	
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	7,450,000	100	
1.9	Margin deposits with exchange and clearing house.	520,065		520,065
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments		100	
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)		100	
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	235,851		235,851
	ii. Receivables other than trade receivables	13,530,535	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.				
1.16	claims on account of entitlements against trading of securities in all markets including MtM gains.			
Receivables from customers				
i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.				
i. Lower of net balance sheet value or value determined through adjustments.				
ii. In case receivables are against margin trading, 5% of the net balance sheet value.				
ii. Net amount after deducting haircut				
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.				
iii. Net amount after deducting haircut				
iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.				
iv. 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.				
v. Lower of net balance sheet value or value determined through adjustments				
vi. 100% haircut in the case of amount receivable from related parties.				
1.17		1,683,668		1,683,668
		43,959,165	41,853,935	2,105,230
Cash and Bank balances				
i. Bank Balance-proprietary accounts				
ii. Bank balance-customer accounts				
iii. Cash in hand				
1.18		216,092		216,092
		8,493,841		8,493,841
		60,000		60,000
1.19	Total Assets	132,178,421		53,747,349
2. Liabilities				
Trade Payables				
i. Payable to exchanges and clearing house				
ii. Payable against leveraged market products				
iii. Payable to customers				
2.1		398,710		398,710
		8,433,599		8,433,599
Current Liabilities				
i. Statutory and regulatory dues				
ii. Accruals and other payables				
iii. Short-term borrowings				
iv. Current portion of subordinated loans				
v. Current portion of long term liabilities				
vi. Deferred Liabilities				
vii. Provision for bad debts				
viii. Provision for taxation				
ix. Other liabilities as per accounting principles and included in the financial statements				
2.2		1,904,276		1,904,276
		28,290,186		28,290,186
		7,317,204	7,317,204	
Non-Current Liabilities				
i. Long-Term financing				
a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease				
b. Other long-term financing				
iii. Other liabilities as per accounting principles and included in the financial statements				
ii. Staff retirement benefits				
iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:				
a. The existing authorized share capital allows the proposed enhanced share capital				
b. Board of Directors of the company has approved the increase in capital				
c. Relevant Regulatory approvals have been obtained				
d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.				
e. Auditor is satisfied that such advance is against the increase of capital.				
iv. Other liabilities as per accounting principles and included in the financial statements				
2.3			100	
			100	
			100	
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. ii. Subordinated loans which do not fulfill the conditions specified by SECP	7,500,000	7,500,000	
2.5	Total Liabilities	53,843,975		39,026,771
3. Ranking Liabilities Relating to:				
3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
3.3	Net underwriting commitments (a) in the case of right 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			
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security		788,511	788,511
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	1,125,698		2,435,970
3.10	Short sell positions 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	3,561,668	788,511	788,511
Calculations Summary of Liquid Capital		74,772,778		13,932,067

28. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 24 SEP 2020 by the Board of Directors of the company.

29. GENERAL

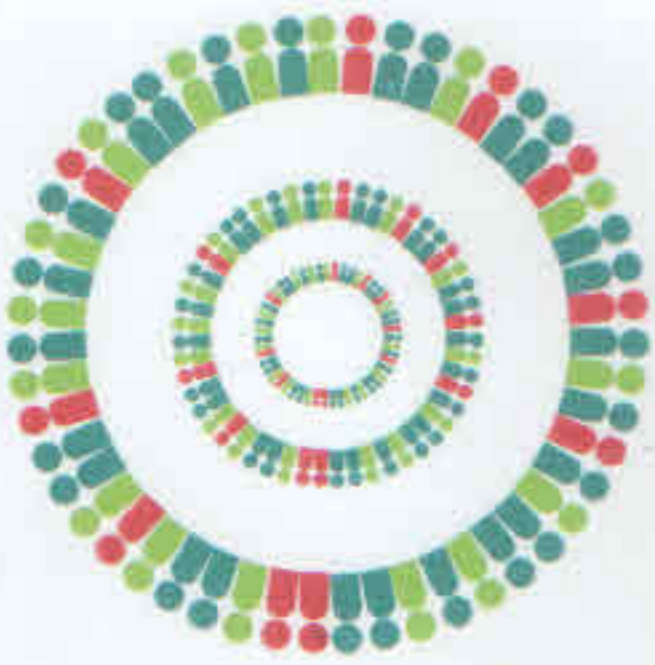
Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.



Chief Executive




Director



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