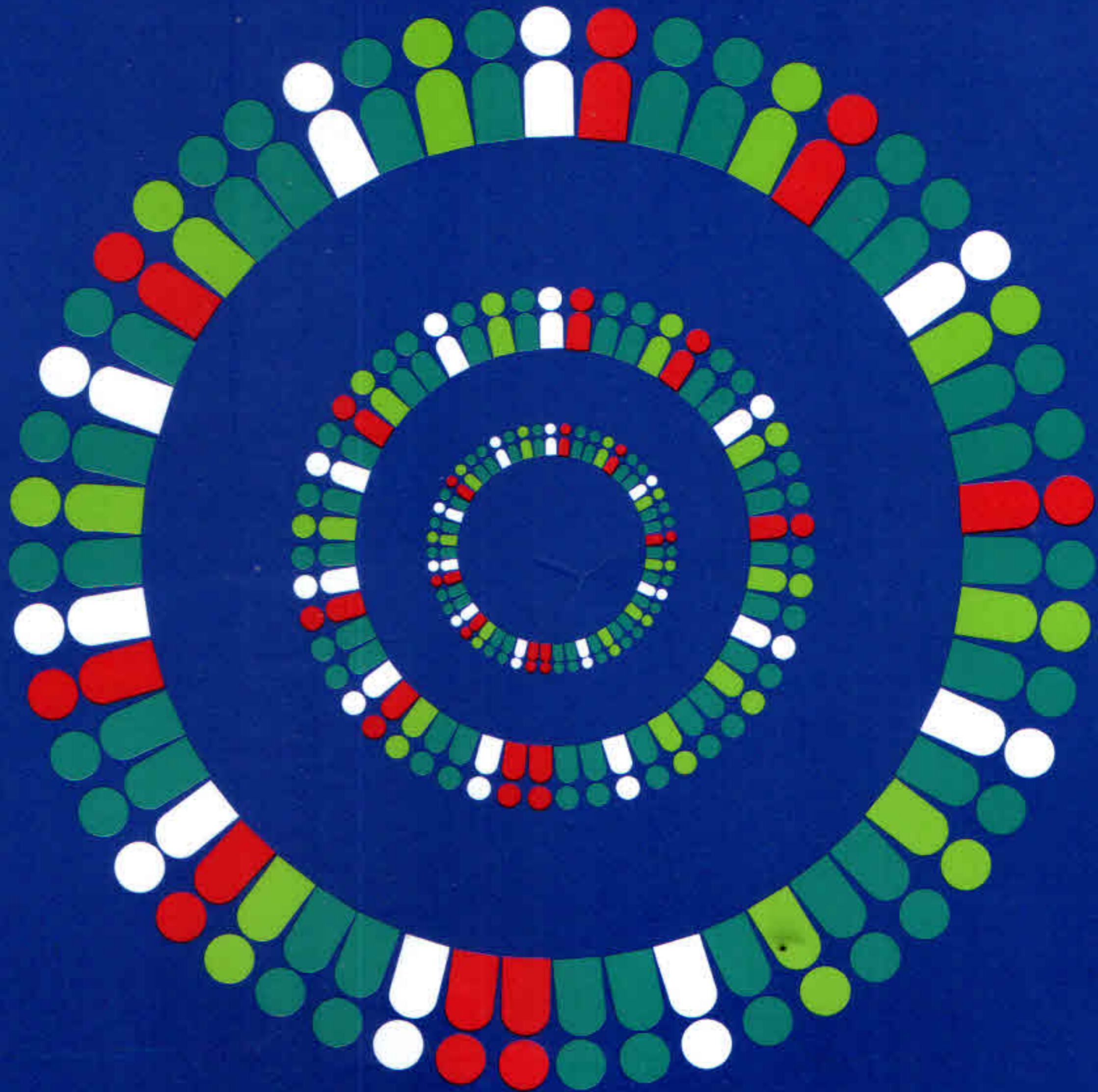


Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2021





ZILLION CAPITAL SECURITIES (PVT) LTD.

TREC HOLDER : PAKISTAN STOCK EXCHANGE LIMITED.

TREC Number: 047, Registration Number: BRP: 282

Registered Office: Office No. # 727-729, 7th Floor, Stock Exchange Building,
Stock Exchange Road, Karachi-74000, Pakistan.

Tel: (021) 32472330, 32472406, 32472268, 32472103 | Fax: (021) 32429073

Email: info@zcs.com.pk - customersupport@zcs.com.pk

Website: www.zcs.com.pk | Facebook: facebook.com/zcspak | Twitter: twitter.com/zcspak

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 2021. The Summarized results for the year ended 30th June 2021 are as under:

Financial results	2021
Operating Revenue	7,654,300
Profit before Taxation	38,666,776
Taxation	(309,013)
Profit after Tax	38,357,763

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: 1st October 2021

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, 2021** 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, 2021 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: 01ST October 2021

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	3,418,006	1,869,756
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through comprehensive income	6	24,121,438	10,703,821
Long term deposits	7	7,350,000	7,450,000
		37,639,444	22,773,577
<u>CURRENT ASSETS</u>			
Trade debts	8	61,144,176	38,325,630
Investment at fair value through profit & loss	9	119,215,535	47,695,026
Advances, deposits, prepayments and other receivables	10	17,622,957	13,147,345
Cash and bank balances	11	7,018,465	8,769,933
		205,001,133	107,937,934
		242,640,577	130,711,511
<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		13,216,099	(25,141,664)
Surplus/(Deficit) - Investment through other comprehensive income		15,393,727	1,976,110
		130,109,826	78,334,446
<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	42,614,184	16,586,879
Short term running finance	15	62,416,567	28,290,186
		105,030,751	44,877,065
Contingencies and commitments	16	-	-
		242,640,577	130,711,511

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, 2021

	Note	2021 (Rupees)	2020 (Rupees)
Revenue from contract with customers	17	7,654,300	3,082,652
Operating and administrative expenses	18	(11,821,956)	(10,560,239)
Operating (Loss)		<u>(4,167,656)</u>	<u>(7,477,587)</u>
loss Allowance		(10,000,000)	(5,000,000)
Finance cost	19	(5,153,204)	(5,694,051)
Other income	20	<u>57,987,636</u>	<u>8,403,116</u>
NET PROFIT/(LOSS) BEFORE TAXATION		38,666,776	(9,768,523)
Taxation	21	(309,013)	(193,315)
NET PROFIT/ (LOSS) AFTER TAXATION		<u>38,357,763</u>	<u>(9,961,838)</u>
(loss) per share-basic and diluted		<u>37.79</u>	<u>(9.81)</u>

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



 Chief Executive





 Director

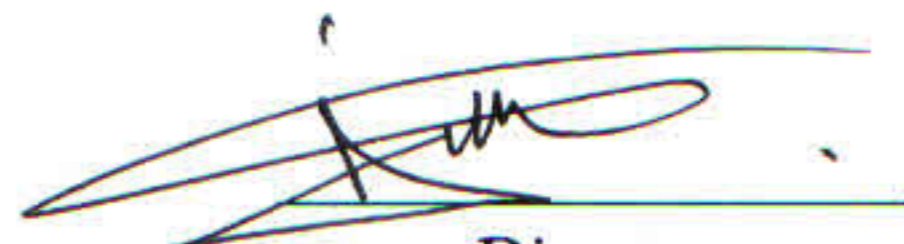
ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021 <i>(Rupees)</i>	2020 <i>(Rupees)</i>
Profit/(loss) for the year	38,357,763	(9,961,838)
Other comprehensive income:		
Unrealised loss on revaluation of investments at fair value through other comprehensive income	17,369,837	(3,351,701)
TOTAL COMPREHENSIVE INCOME/LOSS	<u><u>55,727,600</u></u>	<u><u>(13,313,539)</u></u>

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



Chief Executive



Director

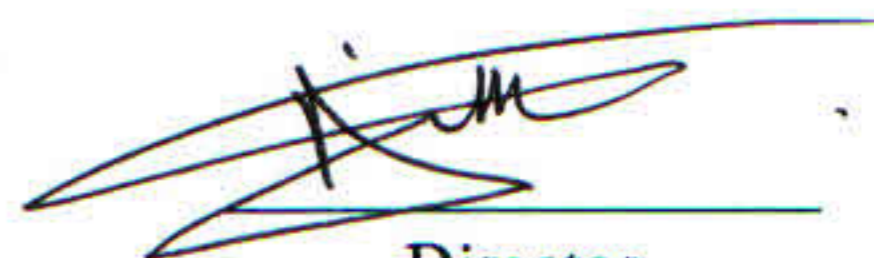
ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/ (Deficit) - Investment- (FVTOCI)	Total
<hr/> <i>Rupees</i> <hr/>				
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	(25,141,664)	1,976,110	78,334,446
Net (loss) for the year	-	38,357,763	-	38,357,763
surplus/(Deficit) on Investment at fair value through OCI	-	-	13,417,617	13,417,617
Balance as at June 30, 2021	101,500,000	13,216,099	15,393,727	130,109,826

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, 2021

	Note	2021 (Rupees)	2020 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		38,666,776	(9,768,523)
<u>Adjustment for non-cash items:</u>			
Depreciation		821,581	385,452
Capital Gain - Investment available for sale		(55,205,573)	(7,106,360)
Dividend income		(1,291,603)	(984,331)
Gain on disposal		(1,074,271)	-
Finance cost		5,153,204	5,694,051
Provision for bad debts		10,000,000	-
Operating profit before working capital changes		(41,596,662)	(2,011,187)
<u>Changes in working capital</u>			
(Increase)/decrease in trade debts		(32,818,546)	22,815,057
Decrease in advances, deposits and prepayments		(4,558,428)	645,883
Increase/(Decrease) in trade and other payable		26,027,305	2,405,718
Net changes in working capital		(11,349,669)	25,866,658
Finance cost paid		(5,153,204)	(5,694,051)
Taxes paid		(226,198)	(187,773)
Net cash generated from operating activities		(19,658,957)	8,205,124
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(3,295,559)	(75,600)
Long term deposit		100,000	-
Disposal of property and equipment		2,000,000	-
Proceeds from sale of Investment		(16,314,936)	1,791,290
Dividend received		1,291,603	984,331
Net cash generated from investing activities		(16,218,892)	2,700,021
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term running finance		34,126,381	(7,009,801)
Net cash generated from financing activities		34,126,381	(7,009,801)
Net increase in cash and cash equivalent		(1,751,468)	3,895,344
Cash and cash equivalent at beginning of the year		8,769,933	4,874,589
Cash and cash equivalent at end of the year		7,018,465	8,769,933

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, 2021

1 Legal Status and Nature of Business

Zillion Capital Securities (Private) limited was incorporated under the repealed 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, I.I chundigarh Road Karachi, Pakistan. The principal activities of the Company are to carry on the business of share brokerage, under writing of public issues, investment and portfolio management.

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 and have been rounded off to the nearest rupee.

2.4 Use of 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 if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Taxation (note 21)
- Contingencies (note 16)

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, 2023
IAS 8	Accounting policies changes in estimates and errors (Amendments)	January 01, 2023
IFRS 09	Financial Instruments (Amendments)	January 01, 2022
IFRS 16	Leases (Amendments)	January 01, 2021
IAS 16	Property plant and equipment (Amendments)	January 01, 2022
IFRS 16	Provisions contingent liabilities an Contingent Assets (Amendments)	January 01, 2022 January 01, 2021

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

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, deferred and prior year tax. 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

Current

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking in to account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets 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 Straight line 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

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Trading Right Entitlement Certificate(TREC)

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

Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.4 Trade debts and other receivables

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

3.5 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

3.6 Trade and Other Payable

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

3.7 Revenue recognition

Brokerage Commission, corporate finance income and other income are recognized as and when services are rendered.

Dividend income is recognized when the right to receive the dividend is established

Income on continuous funding system transactions and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

Mark-up income from investment in margin financing system is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

3.8 Cash and Cash Equivalents

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.

3.9 Contingent Liabilities

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

3.10 Financial Instruments

Initial Measurement of financial asset

The company classifies its financial assets in to 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.

Subsequent measurement

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest /markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. 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 and loss account.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account 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 classified to the profit and loss account.

Financial asset at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.

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, and impairment are recognized in the statement of profit and loss account.

Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or*determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

Financial Assets and financial liabilities are offset and the net amount is reported in the financial statements only when the company has a legally enforceable right to offset and the company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statement only when permitted by the accounting and reporting standards as applicable in Pakistan.

Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to the respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

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

- debt securities that are determined to have low credit risk at reporting date; and
- Other debt securities and bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

Loss allowances for 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 expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the 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 the recovery of amounts due.

Non- financial assets

The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.11 Post retirement benefits- Staff gratuity

The company operates an unfunded gratuity scheme for all of its eligible employees who have completed the minimum qualification period of service.



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

4. PROPERTY AND EQUIPMENT

Particulars	Cost				Rate %	Depreciation				W.D.V. As at Jun 30, 2021
	As at July 01, 2020	Additions	(Deletions)	As at Jun 30, 2021		As at July 01, 2020	For the year	Deletion	As at Jun 30, 2021	
	-----Rupees-----					-----Rupees-----				
Office Equipment	1,226,522	105,759	(578,522)	753,759	15%	936,792	99,844	(578,522)	458,114	295,645
Furniture & Fixtures	662,150	-	-	662,150	15%	611,212	- 31,317	-	642,529	19,621
Vehicles	2,872,500	3,150,000	(1,842,500)	4,180,000	15%	1,574,253	449,628	(916,771)	1,107,110	3,072,890
Computers	3,677,474	39,800	(1,732,474)	1,984,800	30%	3,446,632	240,792	(1,732,474)	1,954,950	29,850
June 30, 2021	8,438,646	3,295,559	(4,153,496)	7,580,709		6,568,890	821,581	(3,227,767)	4,162,703	3,418,006
June 30, 2020	8,363,046	75,600	-	8,438,646		6,183,437	385,452	-	6,568,890	1,869,756

5. INTANGIBLE ASSETS

		2021 (Rupees)	2020 (Rupees)
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	24,121,438	10,703,821
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6.1 This represents 1,081,194 (2020: 1,081,194) shares of Pakistan Stock Exchange.

		2021 (Rupees)	2020 (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
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
		7,350,000	7,450,000
8. TRADE DEBTS			
Trade debts		78,461,380	45,642,834
Provision for doubtful debts	8.1.	(17,317,204)	(7,317,204)
		61,144,176	61,140,687
9. INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT			
Investment in quoted securities	9.1	119,215,535	47,695,026
9.1 Investment in various equity shares carried at market value.			
9.2 This includes securities amounting to Rs. 69 million pledge with PSX and Financial institution in respect of Exposure deposit and financing from bank.			
9.3 This includes investment in margin trading amounting to Rs. 36 million (2020:5.9).			
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance tax - net		12,308,614	12,391,429
Advance to staff		223,956	235,851
Exposure deposit		2,322,670	517,413
MTS Exposure deposit		2,767,718	2,652
		17,622,958	13,147,345
11. CASH AND BANK BALANCES			
Cash in hand		-	60,000
Cash at bank- current		7,018,465	8,709,933
		7,018,465	4,874,589
11.1 This includes bank balances pertaining to clients amounting to Rs.6,490,584.			

12. SHARE CAPITAL

12.1 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
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

<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>
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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

	2021 (Rupees)	2020 (Rupees)
Credit balances of clients	14.1. 6,489,464	8,433,599
Accrued Expenses	14.4. 2,440,438	1,881,672
Liability under margin trading	30,777,896	5,850,294
Other payable	2,906,386	421,314
	<u>42,614,184</u>	<u>16,586,879</u>
14.1 Credit balances of clients held by the company	<u>6,489,464</u>	<u>4,503,057</u>
14.2 Securities of clients is pledged with Financial Institution.	<u>2,025,420</u>	<u>3,536,304</u>
14.3 Securities of the company is pledged with Financial Institution.	<u>1,784,200</u>	<u>720,744</u>

	2021	2020
	<i>(Rupees)</i>	
14.4 ACCRUED EXPENSES		
Telephone Bills Payable	17,570	16,230
CDc Bills payable	43,782	12,023
Electric Bills Payable	64,561	45,475
Tax Payable	14,317	389
Legal Fee Payable	25,000	-
Mark Up Payable on Long term loan	720,000	720,000
Mark Up Payable on running finance	1,380,208	912,555
Audit Fees Payable	175,000	175,000
	<u>2,440,438</u>	<u>1,881,672</u>

15 SHORT TERM-RUNNING FINANCE

Financing from Financial Institution.	15.1	<u>62,416,567</u>	<u>28,290,186</u>
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15.1 Running finance facilities of Rs 122 Million (2020: 100 Million) have been arranged from commercial bank 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 month 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, 2021.

		2021	2020
		<i>(Rupees)</i>	
17. REVENUE FROM CONTRACT WITH CUSTOMERS			
Brokerage income	17.1	7,654,300	3,082,652
Markup on Margin Financing		-	-
		<u>7,654,300</u>	<u>3,082,652</u>

17.1 Brokerage Income- gross	8,798,046	3,543,278
Sales tax	(1,143,746)	(460,626)
	<u>7,654,300</u>	<u>3,082,652</u>

18. OPERATING AND ADMINISTRATIVE EXPENSES		2021	2020
		(Rupees)	
Salaries, allowances and other benefits	18.1	8,003,840	6,918,330
Printing, stationary and periodicals		180,204	39,600
Utilities		473,405	437,639
Communication Expense		310,901	348,202
Rent, rates and taxes		508,125	474,143
Transaction charges		-	3,126
Fee and subscription		352,715	754,964
Insurance		97,254	127,905
Entertainment		170,435	163,425
Repair and Maintenance		52,470	136,054
Software Maintenance		651,026	310,530
Legal and Professional		25,000	25,000
Depreciation		821,581	385,452
Auditor's remuneration		175,000	175,000
Miscellaneous		-	260,869
		11,821,956	10,560,239

18.1 This includes Director Remuneration amounting to Rs 3,520,000.

19. FINANCE COST

Bank charges	297,048	273,903
Markup on running finance	4,856,156	5,420,148
	5,153,204	5,694,051

20. OTHER INCOME

Capital Gain/(loss)-Investment at FVTPL	55,205,573	7,106,360
Dividend Income	1,291,603	984,331
Gain on Sale of Fixed Assets	1,074,271	-
Markup on Exposure Deposit	252,052	312,425
Other Income	164,137	-
	57,987,636	8,403,116

21. TAXATION

The Company has filed return for the tax year 2020. 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	309,013	193,315
- Deferred	-	-
Net tax charge	309,013	193,315

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	38,666,776	(9,768,523)
Tax at the applicable rate 29% (2020:29%)	11,213,365	(2,832,872)
Tax effect of income taxed under FTR	(16,189,982)	(2,198,650)
Deffered tax asset not recognized	5,285,630	5,224,837
	<u>309,013</u>	<u>193,315</u>

22 CAPITAL ADEQUACY LEVEL

	2021	2020
	(Rupees)	
Total Assets	242,640,577	130,711,511
Less: Total Liabilities	(112,530,751)	(52,377,065)
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	<u>130,109,826</u>	<u>78,334,446</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 2021 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

	2021			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances	-	-	7,350,000	7,350,000
Investment at fair value through OCI	-	24,121,438	-	24,121,438
Investment at fair value thorough P&L	119,215,535	-	-	119,215,535
Trade debts	-	-	61,144,176	61,144,176
Advances, deposits and prepayments	-	-	17,622,957	17,622,957
Bank balances	-	-	7,018,465	7,018,465
	<u>119,215,535</u>	<u>24,121,438</u>	<u>93,135,598</u>	<u>236,472,571</u>

	2020			
	At fair value through profit or loss	Available for sale	At Amortized Cost	Total
Long term loan, advances	-	-	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	47,695,026	-	-	47,695,026
Trade debts	-	-	38,325,630	38,325,630
Advances, deposits and prepayments	-	-	13,147,345	13,147,345
Bank balances	-	-	8,769,933	8,769,933
	<u>47,695,026</u>	<u>10,703,821</u>	<u>67,692,908</u>	<u>126,091,755</u>

23.1.2 Financial Liabilities at Amortized Cost

	2021	
	Amount	Total
Long term loan	7,500,000	7,500,000
Short Term Running Finance	62,416,567	62,416,567
Trade and other Payables	42,614,184	42,614,184
	<u>112,530,751</u>	<u>112,530,751</u>

	2020	
	Amount	Total
Long term loan	7,500,000	7,500,000
Short Term Running Finance	28,290,185	28,290,185
Trade and other Payables	16,586,879	16,586,879
	<u>52,377,064</u>	<u>52,377,064</u>

23.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees 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
- Liquidity 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:

	2021	2020
	<i>Rupees</i>	
Long term deposits	7,350,000	7,450,000
Investment at fair value through other comprehensive income	24,121,438	10,703,821
Investment at fair value through Profit & Loss	119,215,535	47,695,026
Advances, deposits, prepayments and other receivable	5,314,344	755,916
Trade debts	61,144,176	38,325,630
Bank Balances	7,018,465	8,769,933
	<u>224,163,958</u>	<u>113,700,326</u>

23.2.2 Bank Balances

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

	2021	2020
	<i>Rupees</i>	
A+	7,887	-
AAA	-	77,096
AA+	3,437,591	1,337,957
AA-	3,572,987	7,294,880
	<u>7,018,465</u>	<u>8,709,933</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.

	2021				
	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	62,416,567	62,416,567	62,416,567		
Trade and other	42,614,184	42,614,184	42,614,184	-	-
	<u>105,030,751</u>	<u>105,030,751</u>	<u>105,030,751</u>		

	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	16,586,879	16,586,879	16,586,879	-	-
	<u>44,877,065</u>	<u>44,877,065</u>	<u>44,877,065</u>		

On the balance sheet date, the company has cash and bank balances of Rs. 7.01 Million (2020: 8.76million) and short term investments of Rs 119 million (2020: 47 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 2021	<u>11,921,553</u>	<u>(11,921,553)</u>
as at 30th June 2020	<u>4,769,503</u>	<u>(4,769,503)</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 143.33 million (2020: 58.39 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:

	2021	2020
	<i>Rupees</i>	
Remuneration to Directors	3,520,000	3,000,000
Balances due from Directors	35,660,156	3,409,455
Balances due to Directors	975,489	569,349
Loan from Directors	7,500,000	7,500,000
	<u>47,655,645</u>	<u>14,478,804</u>

24.1. NUMBER OF EMPLOYEES

	2021 (Number of employees)	2020
Total number of employees at 30th June.	11	12

25. NET CAPITAL BALANCE AND LIQUID CAPITAL BALANCE

25.1 Net Capital Balance As At 30th June 2021

DESCRIPTION	VALUATION BASIS		VALUE
<u>CURRENT ASSETS</u>			
Cash in hand	As per book value		-
Cash at bank	Bank balances pertaining to house	527,882	
	Bank balances pertaining to client	6,490,584	7,018,466
			5,090,388
Deposits against exposure and losses	As per book value		
Trade Receivable	Book Value	78,461,380	
	Less: overdue for more than 14 days	(40,754,803)	37,706,577
Investment in Listed Securities in the name of broker	Market value	143,336,973	
	Less: 15% discount	(21,500,546)	121,836,427
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		238,904
			171,890,762
<u>CURRENT LIABILITIES</u>			
Trade Payable	Book value	6,489,464	
	Less: Overdue for more than 30 days	(817,310)	5,672,154
Other liabilities	Overdue for more than 30 days	817,310	
	As classified under the generally accepted accounting principles.	98,541,287	99,358,597
<i>Net Capital Balance As At 30th June 2021</i>			<u>66,860,011</u>

Liquid Capital Balance As At 30th June 2021

S.No.	Head of Account	Value in Pak Rupee	Hair Cut/ Adjustments	Net Adjusted Value
1	Assets			
1.1	Property & Equipment	3,418,006	3,418,006	
1.2	Intangible Assets	2,750,000	2,750,000	
1.3	Investment in Govt. Securities			
1.4	Investment in Debt Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.			
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.			
1.5	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.	136,568,216	22,440,701	114,127,515
	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)			
1.6	Investment in subsidiaries			
1.7	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.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	7,350,000	7,350,000	
1.9	Margin deposits with exchange and clearing house.	5,090,388	-	5,090,388
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments			
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
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	223,956	-	223,956
	ii. Receivables other than trade receivables	19,077,371	19,077,371	
1.16	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.			
	ii. Receivable on entitlements against trading of securities in all markets including MtM gains.	-	-	-
1.17	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.	33,710,264	-	33,710,264
	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.	27,433,912	23,212,399	4,221,513
	vi. 100% haircut in the case of amount receivable from related parties.			
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	527,882	-	527,882
	ii. Bank balance-customer accounts	6,490,584	-	6,490,584
	iii. Cash in hand			
1.19	Total Assets	242,640,579	78,248,477	164,392,102
2	Liabilities			
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	2,370,442	-	2,370,442
	ii. Payable against leveraged market products			
	iii. Payable to customers	6,489,464	-	6,489,464
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	2,976,382	-	2,976,382
	iii. Short-term borrowings	62,416,566	-	62,416,566
	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			
2.3	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			
	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	30,777,896	-	30,777,896
2.4	Subordinated Loans			
	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:	7,500,000	7,500,000	
	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			
2.5	Total Liabilities	112,530,750	7,500,000	105,030,750
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			
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	3,280,564		
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	2,665,919		
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	5,946,483	-	-
3.12	Liquid Capital	124,163,346	-	59,361,352

26. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 01 OCT 2021 by the Board of Directors of the company.

27. GENERAL

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

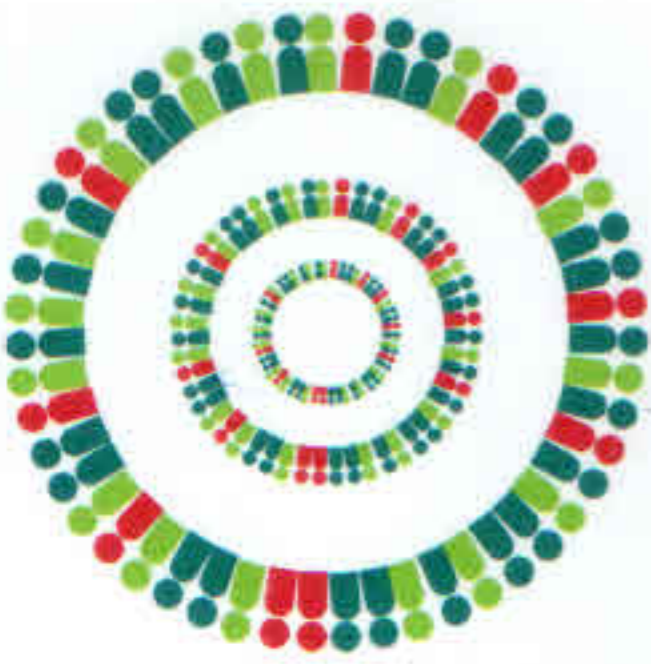


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