

FINANCIAL STATEMENTS
OF
KTRADE SECURITIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KTRADE SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **KTRADE SECURITIES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, its cash flows and the changes in equity For the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matter

The annual financial statements of the Company for the year ended June 30, 2021 were audited by another firm of chartered accountants whose audit report dated October 05, 2021 expressed an unmodified opinion.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 03 OCT 2022

UDIN: AR202210067R5F4vm0qi



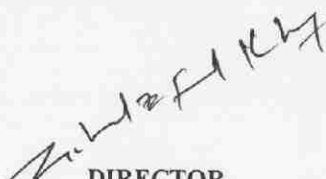
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

KTRADE SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

ASSETS	Note	2022 Rupees	2021 Rupees
NON CURRENT ASSETS			
Property and equipment	5	36,088,191	25,096,166
Intangible assets	6	9,750,000	11,000,000
Security deposit	7	8,210,228	6,095,828
Long term investments	8	44,219,950	37,532,768
		<u>98,268,369</u>	<u>79,724,762</u>
CURRENT ASSETS			
Advances and other receivables	9	15,185,077	19,626,211
Trade debts	10	214,228,807	244,941,287
Short term investments	11	171,394,180	85,191,685
Exposure deposit held with National Clearing Company of Pakistan Limited		87,536,558	194,208,421
Advance tax		11,318,695	5,435,047
Cash and bank balances	12	203,546,957	233,692,232
		<u>703,210,274</u>	<u>783,094,883</u>
TOTAL ASSETS		<u>801,478,643</u>	<u>862,819,645</u>
EQUITY AND LIABILITIES			
Authorized Share Capital 50,000,000 (2021: 50,000,000) ordinary shares of Rs. 10/- each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	13	236,103,910	194,996,570
Advance against issue of shares		395,072	83,343,851
Share premium		424,168,307	236,718,837
Revaluation surplus on intangible asset net off tax		-	1,362,873
Fair value reserve on investment held at fair value through other comprehensive income		(11,190)	927,528
Unappropriated loss		<u>(127,812,466)</u>	<u>(11,331,904)</u>
		532,843,633	506,017,755
NON CURRENT LIABILITIES			
Deferred tax	14	1,174,634	3,860,985
CURRENT LIABILITIES			
Trade and other payables	15	223,108,979	352,940,905
Short term borrowings	16	44,351,397	-
		<u>267,460,376</u>	<u>352,940,905</u>
EQUITY AND LIABILITIES		<u>801,478,643</u>	<u>862,819,645</u>
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

KTRADE SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Revenue			
Operating revenue	18	119,013,145	158,246,212
Advisory services		6,102,318	432,239
Capital gain on sale of listed investments		2,117,248	1,358,099
Unrealised loss on remeasurement of investments		(5,490,746)	(463,237)
		<u>121,741,965</u>	<u>159,573,313</u>
Expenditures			
Administrative and operating expenses	19	(272,314,569)	(165,103,526)
Finance cost		(183,242)	(165,857)
		<u>(272,497,811)</u>	<u>(165,269,383)</u>
Other income	20	33,813,578	15,110,494
(Loss) / profit before taxation		<u>(116,942,268)</u>	<u>9,414,424</u>
Taxation	21	461,705	(4,007,185)
(Loss) / profit for the year		<u>(116,480,562)</u>	<u>5,407,239</u>
(Loss) / earnings per share - basic and diluted	22	<u>(5.27)</u>	<u>0.39</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

KTRADE SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
(Loss) / profit after taxation for the year	(116,480,562)	5,407,239
Other comprehensive (loss) / income for the year		
Reversal of revaluation surplus on TRE Certificate	(1,362,873)	-
Deferred tax liability on revaluation of TRE Certificate	(556,666)	-
Fair value reserve on investment held at fair value through other comprehensive income	(938,718)	927,528
	(2,858,257)	927,528
Total comprehensive (loss) / income for the year	(119,338,819)	6,334,767

The annexed notes from 1 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

KTRADE SECURITIES LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(116,942,268)	9,414,424
Adjustments for:		
Depreciation expenses	5,883,270	2,581,984
Amortization on computer software	1,250,000	-
Gain on disposal of property and equipment	(57,736)	-
Impairment of intangible asset	3,080,461	-
Capital gain on sale of listed investments	-	(1,358,099)
Unrealised loss on remeasurement of investments	5,490,746	463,237
Dividend income	(4,342,888)	(2,038,098)
Profit from NCCPL against margin deposits	(7,896,186)	(7,052,532)
Profit on bank deposits	(3,456,213)	(493,398)
Profit on Government Treasury Bills	(11,337,120)	(3,924,670)
Finance cost	(183,242)	(165,857)
	(11,568,908)	(11,987,433)
Decrease / (increase) in current assets		
Advances and other receivables	4,441,134	(7,289,211)
Trade debts	30,712,480	28,795,993
Exposure deposit held with National Clearing Company of Pakistan Limited	106,671,863	(181,157,143)
	141,825,477	(159,650,361)
(Decrease) / increase in current liabilities		
Trade and other payables	(129,831,926)	40,290,887
Short term borrowings	44,351,397	-
	(85,480,529)	40,290,887
Cash used in operations	(72,166,228)	(121,932,483)
Finance cost paid	183,242	165,857
Income tax paid	(7,551,627)	(9,910,717)
Net cash used in operating activities	(79,534,612)	(131,677,343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments - net	(86,202,495)	51,003,618
Purchase of fixed assets	(17,409,059)	(9,485,230)
Proceeds from disposal of fixed assets	591,500	-
Purchase of intangible assets	(5,000,000)	(3,500,000)
Dividend received	4,342,888	2,038,098
Markup received on margin deposits	7,896,186	7,052,532
Mark up received on bank deposits	3,456,213	493,398
Markup received on government treasury bills	11,337,120	3,924,670
Security deposit	(2,114,400)	(5,279,928)
Long term investments	(13,116,646)	(17,927,229)
Net cash (used in) / generated from investing activities	(96,218,693)	28,319,929
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term deposit	-	(5,279,928)
Cash received against issuance of shares	228,556,810	-
Advance against issuance of shares - received	(82,948,779)	236,620,121
Net cash generated from financing activities	145,608,031	231,340,193
Net (decrease) / increase in cash and cash equivalent	(30,145,275)	127,982,779
Cash and cash equivalent at the beginning of the year	233,692,232	105,709,453
Cash and cash equivalent at the end of the year	203,546,957	233,692,232

The annexed notes from 1 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

KTRADE SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Advance against issue of shares	Share premium	Fair value reserve on investment held at fair value through other comprehensive income	Revaluation surplus on intangible asset net off tax	Unappropriated losses	Total
Rupees							
Balance as at July 01, 2020	167,298,730	723,720	110,416,687	-	1,362,873	(16,739,143)	263,062,867
Advance against issue of shares	-	236,620,121	-	-	-	-	236,620,121
Shares allotment during the year against cash	27,697,840	(153,999,990)	126,302,150	-	-	-	-
Profit for the year	-	-	-	-	-	5,407,239	5,407,239
Other comprehensive income for the year	-	-	-	927,528	-	-	927,528
Total comprehensive income for the year	-	-	-	927,528	-	-	927,528
Balance as at June 30, 2021	194,996,570	83,343,851	236,718,837	927,528	1,362,873	(11,331,904)	506,017,755
Balance as at July 01, 2021	194,996,570	83,343,851	236,718,837	927,528	1,362,873	(11,331,904)	506,017,755
Advance against issue of shares	-	145,608,031	-	-	-	-	145,608,031
Shares allotment during the year against cash	41,107,340	(228,556,810)	187,449,470	-	-	-	-
Loss for the year	-	-	-	-	-	(116,480,562)	(116,480,562)
Other comprehensive loss for the year	-	-	-	(938,718)	(1,362,873)	-	(2,301,591)
Total comprehensive loss for the year	-	-	-	(938,718)	(1,362,873)	-	(118,782,153)
Balance as at June 30, 2022	236,103,910	395,072	424,168,307	(11,190)	-	(127,812,466)	532,863,633

The annexed notes from 1 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

Net Capital Balance as at June 30, 2022:

DESCRIPTION	VALUATION BASIS	VALUE (Amount in Rupees)	
CURRENT ASSETS			
Cash in hand	As per book value	8,410	
Cash at bank:			
- Pertaining to brokerage house	As per book value	15,484,748	
- Pertaining to clients	As per book value	188,053,799	
Deposit against exposure and losses with National Clearing Company of Pakistan	As per book value	87,536,558	
Total bank balances	As per book value		291,083,515
Trade Receivable	As per book value	214,228,807	
	Less: overdue for more than 14 days	(75,589,440)	138,639,367
Investment in Listed Securities in the name of broker	Market value	16,991,771	
	Less: 15% discount	(2,548,766)	14,443,005
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	44,629,398	44,629,398
Listed Term Finance Certificates / Corporate			
Bonds	Market value	-	
(Not less than BBB grade)	Less: 10% discount	-	-
Federal Investment Bonds	Market value	-	
	Less: 5% discount	-	-
Treasury bills	Market value	146,718,759	146,718,759
			635,514,045
CURRENT LIABILITIES			
Trade payable	Book value	193,449,711	
	Less: Overdue for more than 30 days	(89,835,005)	103,614,706
Other liabilities	As classified under the generally accepted accounting principles.	74,010,664	74,010,664
Overdue for more than 30 days		89,835,005	89,835,005
			267,460,376
Net Capital Balance as at June 30, 2022			368,053,669

28.2 Computation of Liquid Capital As at June 30, 2022

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	36,088,191	100.00%	-
1.2	Intangible Assets	9,750,000	100.00%	-
1.3	Investment in Govt. Securities	146,718,759	-	146,718,759
	Investment in Debt Securities	-	-	-
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	16,991,771	15.00%	14,443,005
	ii. If unlisted, 100% of carrying value.	22,970,250	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale; Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.5	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)	-	100.00%	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.6	Investment in subsidiaries	21,249,700	100.00%	-
	Investment in associated companies / undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits / basic deposits with the exchanges, clearing house or central depository or any other entity.	5,600,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	87,536,558	-	87,536,558
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	13,928,923	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	753,881	-	753,881
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
1.14	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	4,348,000	-	4,348,000
	ii. Receivables other than trade receivables	10,839,099	100.00%	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	34,168	-	34,168
	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 if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finnee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	19,311,855	17,078,504	17,078,504
	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.	-	5.00%	-
	ii. Net amount after deducting haircut	-	-	-
1.17	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.	115,452,552	-	115,452,552
	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.	58,402,120	8,760,318	49,641,802
	v. Lower of net balance sheet value or value determined through adjustments	-	-	-
	vi. 100% haircut in the case of amount receivable from related parties.	-	100.00%	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	15,484,748	-	15,484,748
	ii. Bank balance-customer accounts	188,053,799	-	188,053,799
	iii. Cash in hand	8,410	-	8,410
1.19	Total Assets	773,522,785		639,554,187
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	11,757,521	-	11,757,521
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	181,692,191	-	181,692,191
	Current Liabilities			
	i. Statutory and regulatory dues	1,492,725	-	1,492,725
	ii. Accruals and other payables	6,854,560	-	6,854,560
2.2	iii. Short-term borrowings	44,351,397	-	44,351,397
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	1,174,634	-	1,174,634
	vii. Provision for bad debts	1,000,000	-	1,000,000
	viii. Provision for taxation	(461,705)	-	(461,705)
	ix. Other liabilities as per accounting principles and included in the financial statements	9,554,462	-	9,554,462
	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	-	-	-
2.3	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained	395,072	-	395,072
	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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	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	-	-	-
2.5	Total Liabilities	257,810,856	-	257,810,856
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 finances exceed 10% of the aggregate of amounts receivable from total finances.	16,233,643	-	16,233,643
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 issues : 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 issues 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	470,598	-	470,598
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	12,675,185	-	12,675,185
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	29,379,426	-	29,379,426
		486,332,504		352,363,906

Calculations Summary of Liquid Capital

- (i) Adjusted value of assets (serial number 1.19)
(ii) Less: Adjusted value of liabilities (serial number 2.5)
(iii) Less: Total ranking liabilities (series number 3.11)

639,554,187
(257,810,856)
(29,379,426)
352,363,906

29 DISCLOSURES UNDER SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

Following additional disclosures not elsewhere disclosed in these financial statements are being provided to comply with the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016:

	2022	2021
	(Rupees)	
29.1 Customer assets		
Bank balances in designated bank accounts	188,053,799	203,546,874
Market value of client securities in the Central Depository Company	2,145,682,736	1,641,152,163
29.2 Pledged securities		
Clients securities	22,260,000	72,416,405
Proprietary securities	12,118,540	14,731,840
	34,378,540	87,148,245
30 NUMBER OF EMPLOYEES		

The total number of employees and average number of employees at the year end and during the year respectively are as follows :

	2022	2021
	Number	
Total employees of the company at year end	102	92
Average number of employees during the year	112	65

31 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

32 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on 03 OCT 2022 by the Board of Directors of the Company.

33 GENERAL

Figures have been rounded off to the nearest rupee unless stated otherwise.


CHIEF EXECUTIVE OFFICER


DIRECTOR