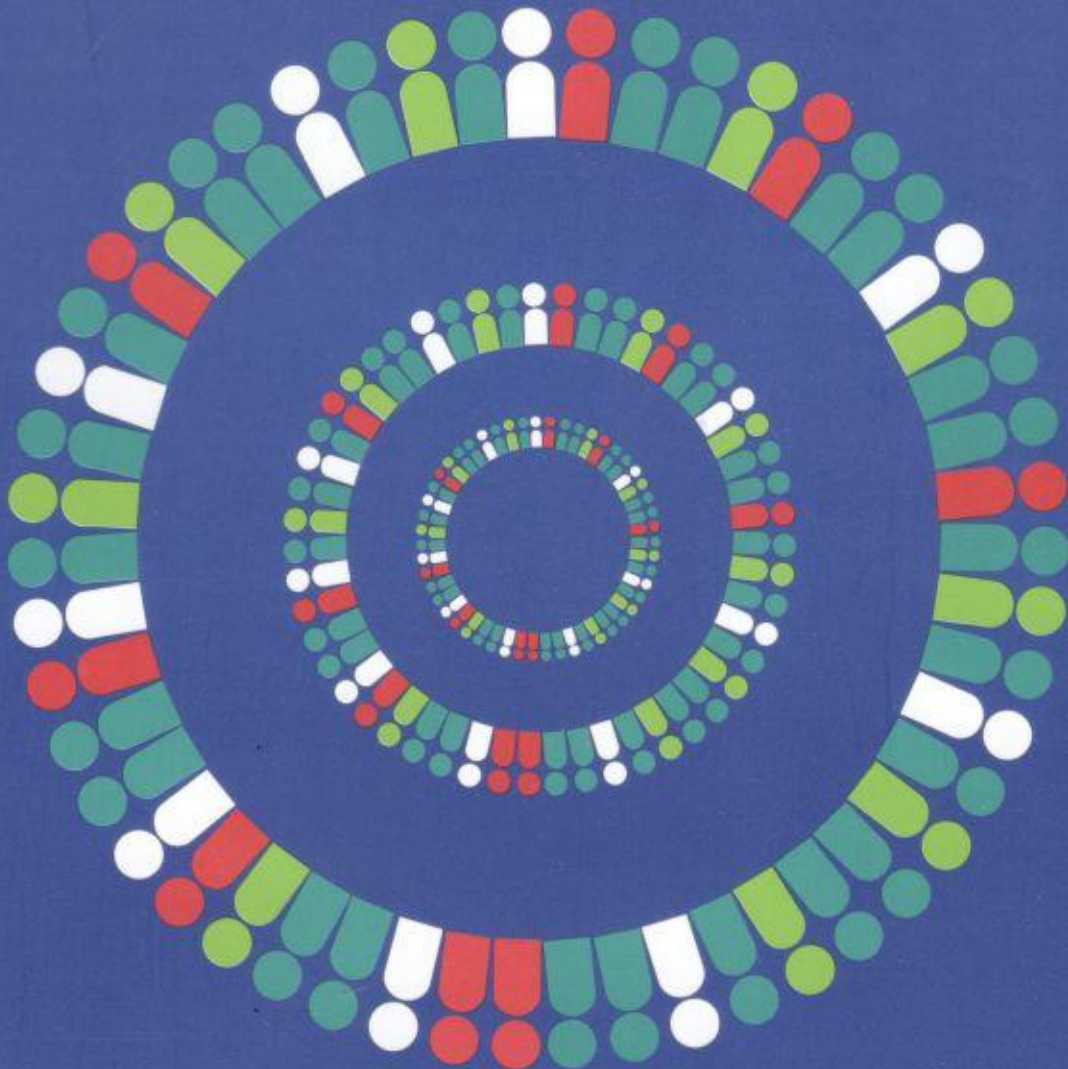


Muhammad Salim Kasmani Securities
(Private) Limited
Financial Statements
For the year ended
June 30, 2020



DIRECTOR'S REPORT

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

Financial results	2020
Operating Revenue	5,051,970
Profit before Taxation	11,967,291
Taxation	(578,525)
Profit after Tax	11,388,766

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



Chief Executive

Date: 25 SEP 2020

Karachi

INDEPENDENT AUDITOR'S REPORT

To the members of MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss for the year then ended; and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 2017 and for such internal control as management determines is necessary to enables 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: 25TH September, 2020

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	2,213,766	3,938,386
Intangible assets	5	2,500,000	2,500,000
Investment at fair value through other comprehensive income	6	3,960,000	14,055,522
Long term deposits	7	1,510,000	510,000
		10,183,766	21,003,908
<u>CURRENT ASSETS</u>			
Trade debts - unsecured considered good	8	867,211	4,042,003
Investment at fair value through profit and loss	9	50,059,426	43,780,195
Advances, deposits, prepayments & other receivables	10	3,451,829	1,973,047
Cash and bank balances	11	31,731,303	16,589,269
		86,109,769	66,384,514
		96,293,535	87,388,423
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL RESERVES</u>			
Authorized capital	12.1	150,000,000	150,000,000
Issued, subscribed and paid-up	12.2	55,000,000	55,000,000
Accumulated Profit/(Loss)		30,157,939	21,949,592
Surplus/(Deficit) - Investment at fair value through other comprehensive income		(2,181,813)	(2,545,707)
		82,976,126	74,403,885
<u>NON CURRENT LIABILITIES</u>			
Liability against asset subject to finance lease	13	148,427	382,806
<u>CURRENT LIABILITIES</u>			
Trade and other payables	14	12,934,603	2,405,562
Liability against asset subject to finance lease		234,379	196,169
Loan from Director		-	10,000,000
		13,168,982	12,601,731
Contingencies and commitments	15	96,293,535	87,388,423

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


Chief Executive


Director

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
Revenue from contract with customers	16	5,051,970	4,179,333
Operating and administrative expenses	17	(10,921,095)	(10,263,431)
Provision of Bad Debts		-	(178,593)
Operating (Loss)		<u>(5,869,125)</u>	<u>(6,262,690)</u>
Finance cost	18	(79,345)	(77,212)
Other income	19	<u>17,915,761</u>	<u>(8,925,652)</u>
NET PROFIT BEFORE TAXATION		11,967,291	(15,265,554)
Taxation	20	(578,525)	(591,391)
NET PROFIT/(LOSS) AFTER TAXATION		<u>11,388,766</u>	<u>(15,856,945)</u>

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


Chief Executive


Director

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT JUNE 30, 2020

	Issued, subscribed and paid-up	Accumulated Profit/(Loss)	Surplus/ (Deficit) - Investment at FVTOCI	Total
<i>-----Rupees-----</i>				
Balance as at June 30, 2018	115,000,000	37,806,537	4,752,356	157,558,893
Reduction in Capital	(60,000,000)	-	-	(60,000,000)
Net loss for the year	-	(15,856,945)	-	(15,856,945)
Loss on remeasurement of Investment at Fair value through OCI	-	-	(7,298,063)	(7,298,063)
Balance as at June 30, 2019	55,000,000	21,949,592	(2,545,707)	74,403,885
Net profit for the year	-	11,388,766	-	11,388,766
Loss on remeasurement on Investment at Fair value through OCI	-	-	(2,816,526)	(2,816,526)
Loss on disposal of investment at fair value thorough OCI	-	(3,180,419)	3,180,419	-
Balance as at June 30, 2019	55,000,000	30,157,939	(2,181,813)	82,976,126

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


Chief Executive


Director

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT JUNE 30, 2020

	2020 (Rupees)	2019 (Rupees)
Profit/(loss) for the year	11,388,766	(15,856,945)
Other comprehensive income:		
Unrealised gain/(loss) on revaluation of investments at fair value through other comprehensive income	363,894	(7,298,063)
TOTAL COMPREHENSIVE INCOME	<u>11,752,660</u>	<u>(23,155,008)</u>

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


Chief Executive


Director

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
AS AT JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		11,967,291	(15,265,555)
Adjustment for non-cash items:			
Depreciation		1,724,619	1,878,983
Capital Gain on investment at fair value through P&L		(12,678,974)	(876,844)
Dividend income		(3,401,625)	(3,609,025)
Capital Gain on investment at fair value through OCI		(3,180,419)	
Capital Loss/(Gain)- Unrealized		-	16,809,204
Interest expense		79,345	77,212
		(17,457,055)	14,279,530
Operating profit before working capital changes		(5,489,764)	(986,025)
Changes in working capital			
Decrease / (increase) in trade debts		3,174,792	(3,426,883)
Decrease / (increase) in advances, deposits and prepayments		(388,334)	138,544
(Decrease)/Increase in Trade and other payables		10,529,041	(2,353,375)
Net changes in working capital		13,315,500	(5,641,714)
Interest paid		(79,345)	(77,212)
Taxes paid		(668,973)	(1,090,002)
Net cash (used in)/generated from operating activities		7,077,418	(7,794,952)
CASH FLOW FROM INVESTING ACTIVITIES			
Long term deposits		(1,000,000)	-
Proceeds from sale of investments		-	6,169,052
Investment at fair value through other comprehensive income		10,459,418	-
Investment at fair value through profit and loss		6,399,743	-
Dividend received		3,401,625	3,609,025
Net cash (used in)/generated from investing activities		19,260,786	9,778,077
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Directors		(10,000,000)	(10,000,000)
Reduction in Capital		-	(60,000,000)
Finance lease obligation		(196,170)	(182,051)
Net cash (used in)/generated from financing activities		(10,196,170)	(50,182,051)
Net increase in cash and cash equivalent		16,142,034	(48,198,926)
Cash and cash equivalent at beginning of the year		16,589,269	64,788,195
Cash and cash equivalent at end of the year		32,731,303	16,589,269

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


Chief Executive


Director

**MUHAMMAD SALIM KASMANI SECURITIES
(PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1 Legal Status and Nature of Business

Muhammad Salim Kasmani Securities (Private) limited was incorporated under the Companies Ordinance, 1984 on June 07, 2006 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 35, 1st floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Critical Accounting Estimates and Judgments

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

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

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

2.5 New Accounting pronouncements

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

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

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

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

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

3 Summary of Significant Accounting Policies

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

3.1 Taxation

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

3.1.1 Current

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

3.1.2 Deferred Tax

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

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

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

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

3.3 Intangible Assets

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

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

3.4 Non-Financial Assets

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

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized previously. Reversal of an impairment loss is recognized immediately in profit and loss account.

3.5 Financial Instruments

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

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

a) Financial assets at amortized cost:

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

b) Financial assets at FVOCI:

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

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

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

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

c) Financial assets at FVTPL:

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

Such financial asset is initially measure at fair value.

3.5.2 Initial recognition:

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

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

3.5.3 Subsequent measurement:

a) Financial asset measured at amortized cost

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

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

b) Financial asset at FVOCI

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

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

c) Financial asset at FVPL

These assets are subsequently measured at fair value.

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

3.5.4 Impairment:

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

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

3.6 offsetting of financial assets and financial liabilities:

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

3.7 Trade Debts:

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

3.8 Trade and Other Payables

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

3.9 Provisions

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

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

3.10 Revenue Recognition

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

3.11 Cash and Cash Equivalents

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

3.12 Related Party Transactions

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

MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2020

4. PROPERTY AND EQUIPMENT

Particulars	Cost				2020	Depreciation				W.D.V.
	As at July 01, 2019	Additions	Disposal / Write off	As at Jun 30, 2020		As at July 01, 2019	For the year	Disposal / Write off	As at Jun 30, 2020	As at June 30, 2020
-----Rupees-----						-----Rupees-----				
Office Buildings	10,000,000	-	-	10,000,000	10%	8,175,705	1,000,000	-	9,175,705	824,295
Furniture & Fixtures	1,448,186	-	-	1,448,186	10%	877,575	144,819	-	1,022,395	425,791
Computers and Equipments	944,910	-	-	944,910	30%	944,910	-	-	944,910	-
Motor Vehicles	900,000	-	-	900,000	20%	396,000	180,000	-	576,000	324,000
Leased Vehicle	1,999,000	-	-	1,999,000	20%	959,520	399,800	-	1,359,320	639,680
June 30, 2020	15,292,096	-	-	15,292,096		11,353,710	1,724,619		13,078,329	2,213,766
June 30, 2019	15,062,092			15,292,096		9,474,727	1,878,983		11,353,710	3,938,386

5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)
Impairment - TREC

5.1

2020
(Rupees) **2019**
(Rupees)

5,000,000	5,000,000
(2,500,000)	(2,500,000)
2,500,000	2,500,000

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 to a company intending to carry out shares brokerage business in the manner to be prescribed.

6. INVESTMENT AT FAIR VALUE THROUGH OCI

Investment in shares of Pakistan Stock Exchange

6.1

3,960,000 **14,055,522**

6.1 This represents 400,000 (2019: 1,081,194) shares of Pakistan Stock Exchanges

2020
(Rupees) **2019**
(Rupees)

7. LONG-TERM DEPOSITS

Central Depository Company
Deposit in NCCPL - Basic Deposit
Deposit in NCCPL - Future Market
Railway Land Deposit

100,000	100,000
400,000	400,000
1,000,000	-
10,000	10,000
1,510,000	510,000

8. TRADE DEBTS

Trade debts
less: Loss allowance

8.1.

2020
(Rupees) **2019**
(Rupees)

867,211	4,258,941
-	(216,937)
867,211	4,042,004

- 8.1 The company is expected to received all the amount due within a year based on historic loss experience therefore no loss allowance is recognized as per IFRS -09

9 SHORT TERM INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1	<u>50,059,426</u>	<u>43,780,195</u>
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- 9.1 Investment in various equity shares carried at market value.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Tax refundable	1,812,208	1,313,597
Advance income tax - net	90,448	498,611
Exposure Deposit - Future Market	1,000,000	-
Future Settlement (NCCPL)	354,832	-
Loan to staff	65,000	45,000
Other Receivable	129,341	115,839
	<u>3,451,829</u>	<u>1,973,047</u>

11. CASH AND BANK BALANCES

Cash in hand	81,000	73,500
Cash at bank - Current	13,162,899	2,363,261
Saving	18,487,404	14,152,508
	<u>31,731,303</u>	<u>16,589,269</u>

12. SHARE CAPITAL

12.1 AUTHORIZED SHARE CAPITAL

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

12.2 ISSUED SUBSCRIBED AND PAID-UP

	2020	2019
	(Rupees)	(Rupees)
ordinary shares of	<u>55,000,000</u>	<u>115,000,000</u>
Rs. 100 each fully paid		
in cash		

12.3 PATTERN OF SHAREHOLDING

	No of shares	%
i Muhammad Salim Kasmani (CEO)	549,997	100.0%
ii Usman Salim Kasmani (Director)	1	0.0%
iii Ahmed Salim Kasmani (Director)	1	0.0%
iv Fareeda Salim Kasmani (Director)	1	0.0%
	<u>550,000</u>	

13 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2020		2019	
	Minimum Lease payments	Present Value	Minimum Lease payments	Present Value
	(in Rupees)			
Within one year	264,099	234,379	275,206	196,169
After one year but not more than five years	153,414	148,427	417,513	382,806
Later than five years	-	-	-	-
Total minimum lease payments	417,513	382,806	692,719	578,975
Less: Amount representing finance charges	34,707		113,744	
Present value of minimum lease payments	452,220		806,463	
Less: Current portion	(234,379)	(234,379)	(196,169)	(196,169)
	217,841	148,427	610,294	382,806

14. TRADE AND OTHER PAYABLE

Credit balances of clients	12,730,581	2,200,789
Accrued expenses	204,022	204,773
	12,934,603	2,405,562

14.1 Credit balances of clients held by the company	12,730,581	4,423,375
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14.2 No Securities of clients is pledged with Financial Institution.

14.3 No Securities of the company is pledged with Financial Institution.

15. CONTINGENCIES AND COMMITMENTS

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

16. REVENUE FROM CONTRACT WITH CUSTOMERS

		2020 (Rupees)	2019 (Rupees)
16.1 Brokerage income	16.1	5,051,970	4,179,333
16.1 Brokerage Income- gross		5,806,862	4,803,831
Sales tax		(754,892)	(624,498)
		5,051,970	4,179,333

		2020 (Rupees)	2019 (Rupees)
17. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries and allowances and other benefits	17.1	5,191,000	5,045,500
Car parking fee		20,000	-
Travelling charges		406,451	7,340
Printing, stationary and periodicals		28,201	36,271
Utilities		144,247	119,604
Communication Expense		88,609	82,124
Rent, rates and taxes		93,800	61,400
Transaction charges		48,239	303,711
Fee & Subscription		212,104	162,104
Insurance		19,125	20,154
Entertainment		66,000	66,000
Legal and professional		275,100	303,600
Depreciation		1,724,619	1,878,983
Auditor's remuneration	17.2	162,000	162,000
Donation		1,925,000	1,502,418
Miscellaneous		516,600	512,223
		<u>10,921,095</u>	<u>10,263,431</u>

17.1 This includes Director remuneration amounting to Rs.3,204,000.

17.2 AUDITOR'S REMUNERATION

Annual Audit fee	162,000	162,000
	<u>162,000</u>	<u>162,000</u>

18 FINANCE COST

Bank Charges	308	-
Finance charges on lease	79,037	77,212
	<u>79,345</u>	<u>77,212</u>

19. OTHER INCOME

Capital Gain - Investment at fair value through profit and loss	12,678,974	(15,932,360)
Profit on bank deposits	1,593,977	2,962,723
Profit on Deposit	24,248	-
Dividend income	3,401,625	3,609,025
Reversal of provision of bad debts	216,937	434,960
	<u>17,915,761</u>	<u>(8,925,652)</u>

20. TAXATION

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

Provision for taxation		
- Current year	578,525	531,343
- Prior year	-	-
- Deferred	-	-
Net tax charge	<u>578,525</u>	<u>531,343</u>

20.1

- 20.1. The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 5.2 million will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

	2020 (Rupees)	2019 (Rupees)
20.2 Relationship between tax expense and accounting profit		
Profit/(loss) before taxation	11,967,291	(15,265,554)
Tax at the applicable rate 29% (2019:29%)	3,470,514	(4,427,011)
Tax effect of income taxed under FTR	(3,676,902)	4,620,384
Tax effect of income taxed under lower rate of tax	(483,726)	(505,264)
Deffered tax asset not recognized	1,268,639	903,281
others	578,525	591,391

21. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

21.1. Financial instrument by category

21.1.1. Financial assets

	2020			
	At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	-	1,510,000	1,510,000
Investment at fair value thorough OCI	-	3,960,000	-	3,960,000
Investment at fair value through P&L	50,059,426	-	-	50,059,426
Trade debts	-	-	867,211	867,211
Advances, deposits and prepayments	-	-	549,173	549,173
Bank balances	-	-	31,731,303	31,731,303
	50,059,426	3,960,000	34,657,687	88,677,113

2019			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	510,000	510,000
Investment at fair value thorough OCI	14,055,522	-	14,055,522
Investment at fair value through P&L	43,780,195	-	43,780,195
Trade debts	-	4,042,003	4,042,003
Advances, deposits and prepayments	-	160,839	160,839
Bank balances	-	16,589,269	16,589,269
43,780,195	14,055,522	21,302,111	79,137,828

21.1.2 Financial Liabilities at amortized cost

2020	
Amount	Total
Trade and other Payables	2,405,562
Liabilities against asset subject to finance lease	382,806
2,788,368	2,788,368

2019	
Amount	Total
Trade and other Payables	2,405,562
Loan from Director	10,000,000
Liabilities against asset subject to finance lease	578,976
12,984,538	12,984,538

21.2 Financial risk management

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

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

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

21.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

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

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

	2020	2019
	<i>Rupees</i>	
Long Term deposit	1,510,000	510,000
Investment at Fair Value through OCI	3,960,000	14,055,522
Investment at Fair Value through Profit and Loss	50,059,426	43,780,195
Trade debts	867,211	4,042,003
Bank Balances	31,650,303	16,515,769
	<u>88,046,940</u>	<u>78,903,489</u>

21.2.1.1 Bank Balances

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

	2020	2019
	<i>Rupees</i>	
AA+	1,080,000	523,000
AA	30,570,303	15,992,769
	<u>31,650,303</u>	<u>16,515,769</u>

The credit rating agency are PACRA and JCR-VIS.

21.2.2 Liquidity risk

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

	2020				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	12,934,603	12,934,603	12,934,603	-	-
Liabilities against asset subject to finance lease	382,806	382,806	234,379	148,427	-
	<u>12,934,603</u>	<u>12,934,603</u>	<u>12,934,603</u>	<u>148,427</u>	

	2019				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	2,405,562	2,405,562	2,405,562	-	-
Liabilities against asset subject to finance lease	578,976	578,976	196,169	382,806	-
Loan from Director					
	<u>2,405,562</u>	<u>2,405,562</u>	<u>2,405,562</u>	<u>382,806</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs.31.7 million (2019: 16.6 million) and investments of Rs 54.1 million (2019:61.8 million) for repayment of liabilities

21.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to 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 not exposed to interest rate risk as there is no interest based liability or asset.

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 investments are made through surplus funds.

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

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2020	5,005,943	(5,005,943)
as at 30th June 2019	4,378,020	(4,378,020)

21.3 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 at year end hold listed assets amounting to Rs 54 million (2019: 57 million) that are recorded at quoted price.

21.4 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.

22. CAPITAL ADEQUACY LEVEL

Total Assets	96,293,535	87,388,423
Less: Total Liabilities	(13,317,409)	(12,984,538)
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	82,976,126	74,403,885

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

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

	2020	2019
Remuneration to Directors	3,204,000	3,204,000
Loan from Director	(10,000,000)	10,000,000
	<u>(6,796,000)</u>	<u>13,204,000</u>

24 NET CAPITAL BALANCE AND LIQUID CAPITAL BALANCE

24.1 Net Capital Balance As At 30th June 2020

DESCRIPTION		VALUATION BASIS	VALUE
<u>CURRENT ASSETS</u>			
Cash in hand	As per book value		81,000
Cash at bank	Bank balances pertaining to house	18,512,404	
	Bank balances pertaining to client	13,137,899	31,650,303
Deposits against exposure and losses	As per book value		1,000,000
Trade Receivable	Book Value	867,211	
	Less: overdue for more than 14 days	(115,791)	751,420
Securities in the name of broker	Market value	37,728,236	
	Less: 15% discount	(5,659,235)	32,069,001
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		68,585
<u>CURRENT LIABILITIES</u>			
Trade Payable	Book value	12,730,581	
	Less: Overdue for more than 30 days	(8,627,550)	4,103,031
		8,627,550	
Other liabilities	Overdue for more than 30 days		
	As classified under the generally accepted accounting principles.	438,400	9,065,950
Net Capital Balance As At 30th June 2020			52,451,328

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,213,767	100%	
1.2	Intangible Assets	2,500,000	100%	
1.3	Investment in Govt. Securities (150,000*99)			
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.	37,728,236	7,811,586	29,916,650
	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		0	
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.	1,500,000	100%	
1.9	Margin deposits with exchange and clearing house.	1,000,000		1,000,000
1.10	Deposit with authorized intermediary against borrowed securities			
1.11	Other deposits and prepayments	10,000	100%	
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. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	65,000	100%	65,000
	ii. Receivables other than trade receivables			
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.			
	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 financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			

1.17	ii. In case receivables are against margin trading, 5% of the net balance sheet value.			
	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.	529,477		529,477
	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.	333,225	234,428	234,428
	vi. 100% haircut in the case of amount receivable from related parties.	4,508	4,508	
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	18,512,404		18,512,404
	ii. Bank balance-customer accounts	13,137,899		13,137,899
	iii. Cash in hand	81,000		81,000
1.19	Total Assets	77,615,516		63,476,858
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	12,730,581		12,730,581
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables			
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for bad debts			
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
2.3	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	364,961		364,961
	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			
2.4	iv. Other liabilities as per accounting principles and included in the financial statements			
	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: 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			
	ii. Subordinated loans which do not fulfill the conditions specified by			
2.5	Total Liabilities	13,095,542		13,095,542

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 (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			
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%			
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	171,388	171388	171,388
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
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			
	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			
3.11	Total Ranking Liabilities	171,388	171388	171,388

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)

Note: Commission may issue guidelines and clarifications in respect of the treatment of any

Adjusted value of assets 1.19	63,476,858
Adjusted value of liabilities 2.5	(13,095,542)
Total ranking liabilities 3.11	(171,388)
Net liquid capital	<u>50,209,928</u>

25 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

- 25.1 There were no significant impact on assets, liabilities, income and expenses of the company due to covid that effects the company ability to continue as a going concern.

26 NUMBER OF EMPLOYEES

As at year end

7 7

27. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 25 SEP 2020 by the Board of Directors of the company.

28. GENERAL

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


Chief Executive


Director