

25.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	3,446,132	3,446,132	-
1.2	Intangible Assets	3,500,000	3,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	<b>Investment in Debt. Securities</b>			
	<b>If listed than:</b>			
	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.	-	-	-
1.4	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	28,265,764	2,826,576	25,439,188
	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.	-	-	-
	<b>Investment in Equity Securities</b>			
	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.	42,580,846	6,398,749	36,182,097
	ii. If unlisted, 100% of carrying value.			
1.5	iii. 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. 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.	28,148,652	28,148,652	-
1.6	Investment in subsidiaries	-	-	-
	<b>Investment in associated companies/undertaking</b>			
1.7	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.	2,200,000	2,200,000	-
1.9	Margin deposits with exchange and clearing house.	5,315,345	-	5,315,345
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	5,000,000	5,000,000	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
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 PLUS ii. Advance tax to the extent it is netted with provision of taxation. iii. Receivables other than trade receivables	-	-	-
1.16	<b>Receivables from clearing house or securities exchange(s)</b> i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	106,023	-	106,023





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<b>I. Assets</b>				
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>i. Lower of net balance sheet value or value determined through adjustments.</i>	46,997,718	7,063,607	39,934,111
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	1,608,248	-	1,608,248
	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. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	2,239,498	192,798	2,046,700
	<i>vi. 100% haircut in the case of amount receivable from related parties.</i>	-	-	-
1.18	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	114,718,123	-	114,718,123
	ii. Bank balance-customer accounts	93,959,778	-	93,959,778
	iii. Cash in hand	31,827	-	31,827
1.19	<b>Subscription money against investment in IPO / offer for sale (asset)</b> No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.20	<b>Total Assets</b>	<b>378,117,954</b>		<b>319,341,440</b>
<b>2. Liabilities</b>				
2.1	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	93,945,229	-	93,945,229
2.2	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	1,688,104	-	1,688,104
	ii. Accruals and other payables	5,018,446	-	5,018,446
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	1,943,085	-	1,943,085
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	<b>Non-Current Liabilities</b>			
	i. Long-Term financing	-	-	-
	a. 100% haircut may be allowed against Long-Term financing obtained from financial institution including amount due against finance leases	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-





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<b>2. Liabilities</b>				
2.4	Subordinated Loans 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-
		24,286,720	24,286,720	-
2.5	<i>Advance against shares for increase in capital of securities broker</i> 100% haircut may be applied 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	-	-	-
2.6	<b>Total Liabilities</b>	<b>126,881,584</b>		<b>102,594,864</b>

**3. Ranking Liabilities Relating to :**

<b>Concentration in Margin Financing</b>				
3.1	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.	-	40,844,556	40,844,556
<b>Concentration in securities lending and borrowing</b>				
3.2	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	-	-	-
<b>Net underwriting Commitments</b>				
3.3	(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	-	-	-
<b>Negative equity of subsidiary</b>				
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
<b>Foreign exchange agreements and foreign currency positions</b>				
3.5	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	-	-	-
<b>Repo adjustment</b>				
3.7	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.	-	-	-



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<b>3. Ranking Liabilities Relating to :</b>				
<b>Concentrated proprietary positions</b>				
3.8	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	-	2,049,021	2,049,021
<b>Opening Positions in futures and options</b>				
3.9	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	-	-	-
<b>Short sell positions</b>				
3.10	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	<b>Total Ranking Liabilities</b>	-	42,893,577	42,893,577
		<u>251,236,370</u>	Liquid Capital	<u>173,852,999</u>

25.3.1 This includes investment in money market mutual funds amounting to Rs. 40,707,612 (with a haircut / adjustment of 15%) which can be redeemed at any time and therefore, have been considered as liquid for the purpose of Liquid Capital.

## 26. GENERAL

### 26.1 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Pakistan Mercantile Exchange Limited (PMEX) (Long term deposits)	Pakistan Mercantile Exchange Limited (PMEX) (Long term advances)	<u>5,000,000</u>
Current accounts (Cash and bank balances)	Saving accounts (Cash and bank balances)	<u>52,344,420</u>
Brokerage commission expense (Operating revenue)	Commission to dealers (Administrative expenses)	<u>26,638,396</u>
Salaries, benefits and allowances (Administrative expenses)	Directors' remuneration (Administrative expenses)	<u>1,320,000</u>

