



**TIME SECURITIES (PRIVATE)
LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

Private & Confidential



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Independent Auditor's Report
To the members of Time Securities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Time Securities (Private) Limited** (the Company) which comprise the statement of financial position as at 30 June 2021 and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows 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, 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 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 30 June 2021 and of its profit 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 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

The 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 or 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.

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.

CNC

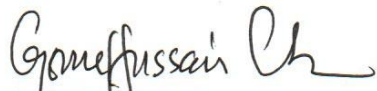
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 (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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

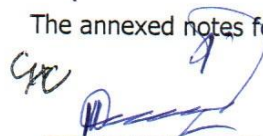
Date:

05 OCT 2021

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

	Note	2021 ----- (Rupees) -----	2020
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Capital 400,000 (2020: 400,000) ordinary shares of Rs. 100 each	5	40,000,000	40,000,000
Issued, subscribed & paid-up capital	6	35,000,000	35,000,000
Sponsors' loan		53,257,484	54,757,484
Fair value reserve		25,649,568	2,131,656
Accumulated profit		222,298,963	98,116,550
		336,206,015	190,005,690
Non-Current Liabilities			
Deferred taxation	12	630,672	-
Current Liabilities			
Trade and other payables	7	82,295,658	40,147,776
Short term running finance - secured	8	38,145,937	20,442,704
Provision for taxation		22,597,907	10,359,908
		143,039,502	70,950,388
Contingencies and Commitments			
	9		
Total Equity and Liabilities		479,876,189	260,956,078
ASSETS			
Non-Current Assets			
Property and equipment	10	3,059,000	3,092,735
Intangible assets	11	2,500,000	2,500,000
Deferred taxation	12	-	865,514
Long term deposits	13	1,646,151	2,806,151
		7,205,151	9,264,400
Current Assets			
Investment in margin financing	14	1,790,132	1,687,960
Trade debtors	15	69,199,851	71,689,803
Advances, deposits, prepayments and other receivables	16	221,179,828	118,619,786
Short term investments	17	162,911,331	37,871,579
Cash and bank balances	18	17,589,896	21,822,549
		472,671,038	251,691,678
Total Assets		479,876,189	260,956,078

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


CHIEF EXECUTIVE


DIRECTOR

TIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees) -----	2020 -----
Revenue			
Brokerage commission		30,331,425	14,265,223
Gain on sale of investment		286,758,796	79,647,234
Unrealized gain / (loss) on fair value through profit and loss investments		7,045,798	(1,675,396)
		<u>324,136,019</u>	<u>92,237,061</u>
Administrative and operating expenses	19	(53,784,468)	(36,746,717)
		<u>270,351,551</u>	<u>55,490,344</u>
Other income	20	21,815,746	15,181,201
		<u>292,167,298</u>	<u>70,671,545</u>
Finance cost	21	(1,077,268)	(1,996,439)
Profit before taxation		<u>291,090,029</u>	<u>68,675,106</u>
Taxation	22	(26,907,616)	(10,016,845)
Profit after tax		<u><u>264,182,413</u></u>	<u><u>58,658,261</u></u>

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


CHIEF EXECUTIVE


DIRECTOR

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

	2 0 2 1	2 0 2 0
	----- (Rupees) -----	
Profit after taxation	264,182,413	58,658,261
Other comprehensive income		
- Unrealised gain / (loss) - FVOCI investment	23,517,912	(5,923,866)
Total comprehensive income for the year	<u>287,700,325</u>	<u>52,734,395</u>

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

Cnc



CHIEF EXECUTIVE



DIRECTOR

TIME SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees) -----	
Cash Generated from Operations		
Profit before taxation	291,090,029	68,675,106
Adjustments for		
Depreciation	438,726	398,700
Finance cost	1,077,268	1,996,439
(Gain) on disposal of investment	(286,758,796)	(79,647,234)
Bad debts written off directly	(2,170,001)	-
Provision for bad debts	(2,522,184)	-
(Gain)/loss on remeasurement of investments - net	(7,045,798)	1,675,396
	(296,980,784)	(75,576,699)
	(5,890,755)	(6,901,593)
Changes in working capital		
(Increase)/decrease in current assets		
Trade debts	2,387,780	(39,431,355)
Advance, deposits, prepayments and other receivables	(115,335,600)	(22,514,781)
Short term investments	(86,876,781)	12,498,830
	(199,824,601)	(49,447,306)
(Decrease)/increase in current liabilities		
Trade and other payables	42,147,882	17,336,934
	(163,567,473)	(39,011,965)
Finance cost paid	(3,448,379)	(2,564,984)
Income tax paid	(397,873)	(333,981)
Net cash generated from operating activities	(167,413,726)	(41,910,931)
Cash Flows From Investing Activities		
Proceeds from disposal of investments	41,996,425,902	28,960,908,452
Purchase of investments	(41,709,043,069)	(28,925,141,427)
Fixed capital expenditure	(404,991)	-
Net cash generated from investing activities	286,977,841	35,767,025
Cash Flow From Financing Activities		
Running finance	17,703,233	18,923,416
Sponsors' loan paid	(1,500,000)	(8,950,000)
Dividend paid	(140,000,000)	-
Net cash generated from financing activities	(123,796,767)	9,973,416
Net increase in cash and cash equivalents	(4,232,653)	3,829,510
Cash and cash equivalents at the beginning of the year	21,822,549	17,993,039
Cash and cash equivalents at the end of the year	17,589,896	21,822,549

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


CHIEF EXECUTIVE


DIRECTOR

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

Description	Issued, subscribed & paid-up capital	Unappropriated profits	Sponsors' loan (4.18)	Surplus on revaluation of investments	Total
----- (Rupees) -----					
Balance as at July 01, 2019	35,000,000	89,458,289	63,707,484	8,055,522	196,221,295
Loan repaid during the year	-	-	(8,950,000)	-	(8,950,000)
Total comprehensive income for the year	-	58,658,261	-	(5,923,866)	52,734,395
Dividend paid	-	(50,000,000)	-	-	(50,000,000)
Balance as at June 30, 2020	35,000,000	98,116,550	54,757,484	2,131,656	190,005,690
Balance as at July 01, 2020 :	35,000,000	98,116,550	54,757,484	2,131,656	190,005,690
Loan repaid during the year	-	-	(1,500,000)	-	(1,500,000)
Total comprehensive income for the year	-	264,182,413	-	23,517,912	287,700,325
Dividend paid	-	(140,000,000)	-	-	(140,000,000)
Balance as at June 30, 2021	35,000,000	222,298,963	53,257,484	25,649,568	336,206,015

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

gc



CHIEF EXECUTIVE



DIRECTOR

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Time Securities (Private) Limited (the Company) is a private limited company incorporated in Pakistan on December 19, 2002 under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company is a corporate member of Pakistan Stock Exchange Limited.

The principle activities of Company include trading and brokerage for equities, underwriting of public issues, etc.

The registered office of the Company is located at Room No. 98-99 Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain financial assets and financial liabilities which have been stated at their fair values.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

2.4 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates involved or where judgment was exercised in application of accounting policies are as follows:

	Note
a) Useful life of property and equipment	4.1
b) Carrying amount of intangible assets	4.3
c) Provision of impairment of financial assets	4.4
d) Provision for current and deferred taxation	4.9

QAC

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in current year

The were certain amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01,2021. However, these are considered not to be relevant or to have any significant effect on the Corporation's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

Effective date (annual periods beginning on or after)

IAS 37 Onerous contracts

January 1,2022

IAS 16 Proceeds before an asset's intended use

January 1,2022

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Property and equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit and loss account by applying the reducing balance method systematically on yearly basis at the rates specified in note 10. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognised in the profit and loss account.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in profit and loss account for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

gnc

4.2. Capital work in progress

Capital work-in-progress is stated at cost less impairment (if any). It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation.

4.3 Intangible assets

These represent Trading right entitlement certificate of PSX.

TRE Certificate has an indefinite useful life and are stated at the carrying value less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of their recoverable amounts, and where the carrying value exceeds the estimated recoverable amount, it written down to their estimated recoverable amount.

Computer software is recognized in the financial statements, if and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Company; and the cost of the asset can be measured reliably. It is carried at cost less accumulated amortization and impairment, if any. Amortization is charged from the month of addition to the month proceeding the month of retirement / disposal, by applying reducing balance method. The amortization period and the amortization method for intangible assets with finite useful life are reviewed, and adjusted if appropriate, at each reporting date.

4.4 Financial instruments

a) Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

b) Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flows characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

9x

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

c) Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

d) Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

(iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

e) Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- receivable from employee
- receivables from NCCPL and others

90

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

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

Lifetime ECL is only recognised if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

f) Derecognition

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

(ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

4.5 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 only when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.6 Long term deposits

These are stated at cost which represents the fair value of consideration given.

gnc

4.7 Trade debts

Trade debts are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. A provision for impairment is established when there is an objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts. Bad debts are written off when considered irrecoverable.

4.8 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset, i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized as part of that asset. All other borrowing costs are charged to income in the period in which they are incurred.

4.9 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognised for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

CYC

4.10 Revenue recognition

- Brokerage and commission income is recognised as and when such services are provided and when performance obligations have been satisfied and right to receive the consideration in exchange for services has been established.
- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Interest income is recognised on a time proportion basis that takes into account the effective yield
- Income on continuous funding system is recognised on an accrual basis.
- Underwriting commission is recognised when the agreement is executed.
- Gains / (loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealised gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.
- Unrealised capital gains / (losses) arising from mark to market of investments classified as 'available-for-sale' are taken directly to other comprehensive income.
- All other incomes are recognised on an accrual basis.

4.11 Expenses

All expenses are recognized in the profit or loss on an accrual basis.

4.12 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an 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. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.13 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.14 Dividend

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.15 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks.

4.16 Earning per share

Earning per share is calculated by dividing the profit after taxation for the year by the weighted average number of shares outstanding during the year.

CYC

4.17 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Currently the company has only one reportable segments.

4.18 Related party transactions

All transactions with the related parties are priced on arm's length basis. Prices for those transactions are determined on the basis of admissible valuation methods.

4.19 Sponsors' Loan

According to technical release 32 issued by Institute of Chartered Accountant of Pakistan (ICAP) according to which a loan to an entity by the directors which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequent re-measured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be a direct debit to equity.

4.20. Impact of COVID

Following the financial year that ended on June 30, 2020, increase in the COVID positive cases have been observed in the country and worldwide at different time intervals. At balance sheet date of these financial statements and later on, the infection rate is on increase in the country and as a consequence, the government has formally tighten the implementation of COVID related standard operating procedures along with enforcement of some other strict measures. However, there is no alarming indication towards infection spread at large scale leading towards economic and business lockdown in the country.

The Company is closely monitoring the situation and is of the view that adequate controls business continuity plans, remote working capabilities and procedures are in place that ensures the safety and security of the staff and uninterrupted service to the customers. Further, the Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Company.

GC

5 AUTHORIZED CAPITAL

During the year ended June 30, 2014, the Company has passed a resolution in its extra ordinary general meeting held on September 25, 2013, to increase its authorized share capital to Rs. 75 million. However, till the date of issuance of these financial statements, legal formalities of increase in authorized capital have not been completed.

6 ISSUES, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020	Note	2021	2020
Number of shares			----- (Rupees) -----	
<u>350,000</u>	350,000	Issued for cash	<u>35,000,000</u>	35,000,000
<u>350,000</u>	<u>350,000</u>		<u>35,000,000</u>	<u>35,000,000</u>

7 TRADE AND OTHER PAYABLE

Trade payable	36,297,950	24,849,750
Markup payable on running finance	193,873	308,708
Other payable	45,803,835	14,989,318
	<u>82,295,658</u>	<u>40,147,776</u>

8 SHORT TERM RUNNING FINANCE - SECURED

Bank Al-Falah Limited	8.1	2,192,871	12,953,071
JS Bank Limited	8.2	35,953,066	7,489,633
		<u>38,145,937</u>	<u>20,442,704</u>

- 8.1 The Company has obtained running finance facilities under mark-up arrangement of Rs. 75 (2020: 75) million from various commercial banks having mark-up of 3 months KIBOR plus 2% that is secured against pledge of shares and personal guarantee of directors. This facility will expire on April 30, 2022.
- 8.2 The Company has obtained running finance facilities under mark-up arrangement of Rs. 75 (2020: 75) million from various commercial banks having mark-up of 3 months KIBOR plus 2.5% that is secured against pledge of shares and personal guarantee of directors. This facility will expire on April 30, 2022.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 (2020: Nil)

GC

10 PROPERTY AND EQUIPMENT

2021 2020
----- (Rupees) -----

Description	Office Premise	Furniture and fixture	Office equipments	Computer Equipment	Motor Vehicles	Total
COST						
Balance as at 01 July, 2019	6,000,000	1,107,855	1,438,276	2,800,931	243,000	11,590,062
Additions	-	-	-	5,015	-	5,015
Deletion	-	-	-	-	-	-
Balance as at 30 June, 2020	6,000,000	1,107,855	1,438,276	2,805,946	243,000	11,595,077
Balance as at 01 July, 2020	6,000,000	1,107,855	1,438,276	2,805,946	243,000	11,595,077
Additions	-	-	207,413	197,578	-	404,991
Deletion	-	-	-	-	-	-
Balance as at 30 June, 2021	6,000,000	1,107,855	1,645,689	3,003,524	243,000	12,000,068
DEPRECIATION						
Balance as at 01 July, 2019	3,130,219	971,725	1,130,917	2,677,774	193,007	8,103,642
Charge for the year	286,978	20,419	46,104	37,699	7,499	398,700
Adjustment of disposal	-	-	-	-	-	-
Balance as at 30 June, 2020	3,417,197	992,145	1,177,021	2,715,473	200,506	8,502,342
Balance as at 01 July, 2020	3,417,197	992,145	1,177,021	2,715,473	200,506	8,502,342
Charge for the year	258,280	17,357	70,300	86,415	6,374	438,726
Adjustment of disposal	-	-	-	-	-	-
Balance as at 30 June, 2021	3,675,477	1,009,501	1,247,321	2,801,888	206,880	8,941,068
Carrying Amount - 2021	2,324,523	98,354	398,368	201,636	36,120	3,059,000
Carrying Amount - 2020	2,582,803	115,710	261,255	90,473	42,494	3,092,735
Rate of Depreciation	10%	15%	15%	30%	15%	

6/11

	Note	2021 ----- (Rupees) -----	2020
11 INTANGIBLE ASSET - TRE CERTIFICATE			
Trading Right Entitlement Certificate (TREC)	11.1	<u>2,500,000</u>	<u>2,500,000</u>
11.1 This represents TREC acquired on surrender of Stock Exchange Membership Card.			
11.2 Movement in Trading Right Entitlement Certificate (TREC)			
Opening carrying value		2,500,000	2,500,000
Impairment		-	-
Closing carrying value		<u>2,500,000</u>	<u>2,500,000</u>
12 DEFERRED TAXATION			
The balance of deferred tax is in respect of the following major temporary taxable / (deductible) differences:			
Accelerated tax depreciation		(67,560)	17,871
Investments- FVTPL		1,056,870	(1,139,889)
Provisions for doubtful debts		<u>(358,638)</u>	<u>256,505</u>
		<u>(630,672)</u>	<u>865,514</u>
13 LONG TERM DEPOSIT			
Pakistan Stock Exchange Limited	13.1	1,200,000	2,300,000
National Clearing Company of Pakistan		300,000	300,000
Central Depository Company of Pakistan		100,000	100,000
Telephone deposits		39,151	39,151
Office deposits		-	60,000
Other deposits		7,000	7,000
		<u>1,646,151</u>	<u>2,806,151</u>
13.1 This includes Base Minimum Capital, deposited with Pakistan Stock Exchange.			
14 INVESTMENT IN MARGIN FINANCING			
Investment in margin financing :	14.1	<u>1,790,132</u>	<u>1,687,960</u>
		<u>1,790,132</u>	<u>1,687,960</u>
14.1 This amount given as Margin Financing (MF) to the clients of the Company through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house accounts under pledged status. The Company is charging markup upto the rate of 1 month KIBOR + 8%.			
15 TRADE DEBTORS			
Receivable from customers		30,879,167	32,439,450
Receivable from related parties	15.1	38,320,683	39,250,353
Considered doubtful		<u>1,236,681</u>	<u>884,499</u>
		70,436,532	72,574,302
- Provision for impairment on trade debts	15.2	<u>(1,236,681)</u>	<u>(884,499)</u>
		<u>69,199,851</u>	<u>71,689,803</u>
15.1 This represents amount receivable from director of the Company.			

GNC

	2021 ----- (Rupees) -----	2020 -----
15.2 Provision for impairment on trade debts		
Opening balance	884,499	884,499
Impairment during the year	2,522,184	-
Written off	(2,170,001)	-
Closing balance	<u>1,236,681</u>	<u>884,499</u>

15.3 Aging analysis

The aging analysis of the trade debts relating to purchase of shares is as follow:

	2021 ----- (Rupees) -----	2020 -----
Upto 14 days	61,335,694	48,383,451
More than 14 days	9,100,838	24,190,851
	<u>70,436,532</u>	<u>72,574,302</u>

16 ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES

NCCPL and PSX deposits	7,595,318	14,865,512
Exposure deposits with PSX and NCCPL	184,702,183	62,096,388
Advance payment of tax	397,873	333,981
Income tax refundable	28,484,455	41,323,905
	<u>221,179,828</u>	<u>118,619,786</u>

17 SHORT TERM INVESTMENT**Financial assets classified as FVTPL**

Shares of listed companies - carrying amount	17.1	113,410,653	20,707,740
Unrealized gain/(loss) on revaluation of fair value through profit or loss investments		7,045,797	(1,675,396)
Fair value as at June 30,		<u>120,456,450</u>	<u>19,032,344</u>

Financial assets classified as FVTOCI

Share of listed companies - carrying amount	17.2	18,936,969	24,763,101
Unrealized gain/(loss) on revaluation of fair value through other comprehensive income		23,517,912	(5,923,866)
Fair value as at June 30,		<u>42,454,881</u>	<u>18,839,235</u>

Total short term investment

	<u>162,911,331</u>	<u>37,871,579</u>
--	--------------------	-------------------

CNC

17.1 Financial assets classified as fair value through profit or Loss

2021	2020	Name of the Company	2021		2020	
			-----Rupees-----		-----Rupees-----	
Number of Shares			Average Cost	Market Value	Average Cost	Market Value
350	350	Attock Refinery Limited	89,348	89,758	42,821	31,262
5,000	-	Azgard Nine Limited	178,540	169,450	-	-
24,400	24,400	B.R.R. Guardian Modaraba	296,118	322,812	198,128	212,036
711	711	Bank Of Punjab Limited	5,972	5,972	6,506	5,972
74,000	-	Byco Petroleum Pak Limited	859,140	859,140	-	-
1,000	-	Century Paper And Board Mills	118,015	122,070	-	-
4,510	9,510	Cherat Packaging Limited	1,019,879	897,084	1,172,137	1,114,097
388	388	Dewan Textile Mills Limited	504	1,048	660	504
-	2,500	Dynea Pakistan	-	-	284,783	269,550
-	50,000	Ecopack Limited	-	-	1,051,129	1,088,000
1,100	-	Ferozs Laboratories Limited	378,214	388,102	-	-
90,000	-	Frieslandcampina Engro Pakistan	10,262,178	10,357,200	-	-
20,000	-	Hinopak Motors Limited	12,054,053	12,243,000	-	-
-	30,000	Honda Atlas Cars (Pakistan) Limited	-	-	5,708,021	5,810,400
-	118,500	Hum Networks Limited	-	-	1,871,850	1,487,175
-	5,000	IGI Holdings Limited	-	-	949,778	904,800
409	409	J. D. W. Sugar Mills Limited	102,046	91,207	122,005	102,046
96,228	96,228	Javedan Corporation Limited	2,165,130	4,060,822	2,800,235	2,165,130
204	204	Kohinoor Mills Limited	8,162	6,120	4,457	7,752
88,500	-	Kohinoor Power Company Limited	624,421	584,100	-	-
3,000	3,000	Maqbool Textile Mills Limited	125,970	94,500	122,250	125,970
3	3	MCB Bank Limited	486	479	523	486
3,500	-	Merit Packaging Limited	64,993	61,810	-	-
-	100,000	Nimir Resins Limited	-	-	648,016	618,000
72	72	Nishat (Chunian) Limited	2,336	3,621	2,521	2,336
1,811	1,811	Packages Limited	998,246	987,357	480,998	628,797
70	70	First Pak Modarba	104	245	76	104
-	6,500	Pakistan National Shipping Corporation	-	-	509,595	491,140
5,000	-	Pakistan Refinery Limited	123,285	123,050	-	-
2	2	Picic Insurance Limited	1	3	2	1
269	269	First Prudential Modarba	215	699	234	215
300,000	-	Service Fabrics Limited	7,867,479	9,567,000	-	-
55	55	Shell Pakistan Limited	9,642	9,636	9,684	10,042
50,000	50,000	Sui Southern Gas Co. Limited	808,304	665,000	1,163,950	667,000
-	6,500	System Limited	-	-	1,181,774	1,193,920
21,656	17,325	Tariq Glass Limited	2,076,784	2,303,765	1,192,133	1,117,809
35,000	-	Telecard Limited	549,695	519,400	-	-
500	-	Towellers Limited	61,010	62,000	-	-
800,000	-	TPL Corporation Limited	14,070,317	15,640,000	-	-
2,000,000	-	TPL Properties Limited	58,490,066	60,220,000	-	-
-	130,000	Tristar Ployester Limited (Image Pakistan) **	-	-	1,104,719	911,300
-	2,000	United Distributors Pakistan Limited	-	-	78,756	66,500
3,627,738	655,807		113,410,653	120,456,450	20,707,741	19,032,344

17.2 Financial assets carried at Fair value through other comprehensive income

2021	2020	Name of the Company	2021		2020	
			-----Rupees-----		-----Rupees-----	
Number Of Shares			Average Cost	Market Value	Average Cost	Market Value
1,902,953	1,902,953	Pakistan Stock Exchange Limited	18,936,969	42,454,881	24,763,101	18,839,235
1,902,953	1,902,953		18,936,969	42,454,881	24,763,101	18,839,235

CPC

	Note	2021 ----- (Rupees) -----	2020
18 CASH AND BANK BALANCES			
Cash in hand		66,175	66,175
Cash at bank-current account		<u>17,523,721</u>	<u>21,756,374</u>
		<u>17,589,896</u>	<u>21,822,549</u>
19 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries allowance and other benefits	19.1	25,624,550	23,777,500
Rent, rates and taxes		919,164	842,024
Repairs and maintainance		1,039,096	373,829
Auditors' remuneration	19.2	351,384	304,920
Legal and professional charges		350,670	270,780
Printing and stationary		130,993	111,836
Travelling and conveyance		47,930	152,280
Utilities		1,030,319	714,325
Fees and subscription		12,394,818	6,194,539
Entertainment		545,824	498,365
Postage and courier expense		126,920	123,067
Depreciation		438,726	398,700
Insurance expense		38,000	38,000
Provision for the impairment of trade debts		2,522,184	-
CVT expense		-	2,121,208
Others		1,423,890	825,344
Donation	19.3	6,800,000	-
		<u>53,784,468</u>	<u>36,746,717</u>

19.1 Remuneration of Directors and Chief Executive

Particulars	Chief Executive		Directors	
	----- (Rupees) -----			
	2021	2020	2021	2020
Remuneration	3,320,000	3,000,000	2,540,000	2,280,000
No of Persons	1	1	1	1

2021
----- (Rupees) -----

19.2 Auditors' remuneration

Audit fee	319,440	290,400
Out of pocket expense	31,944	14,520
	<u>351,384</u>	<u>304,920</u>

19.3 During the year, the Company has made following donations

2021
----- (Rupees) -----

Dawat-E-Ismail	6,300,000	-
Bantwa Memon Jamat	500,000	-
	<u>6,800,000</u>	<u>-</u>

9/10

	Note	2021	2020
		----- (Rupees) -----	
20 OTHER INCOME			
Profit on margin deposit		3,340,992	3,574,912
Profit on margin financing		338,895	1,032,979
Dividend income		2,328,500	1,524,855
Transaction and custody fees		15,807,360	9,048,455
		<u>21,815,746</u>	<u>15,181,201</u>
21 FINANCE COST			
Short term running finance		632,470	1,621,525
Bank charges		444,798	374,914
		<u>1,077,268</u>	<u>1,996,439</u>
22 TAXATION			
Current		22,597,907	10,359,908
Deferred		1,496,186	(630,889)
Prior		2,813,523	287,826
		<u>26,907,616</u>	<u>10,016,845</u>
22.1 Relationship between tax expense and accounting profit			
Profit before taxation		291,090,029	68,675,106
Applicable tax rate		29%	29%
Tax at the above rate		13,469,971	-
Tax effect of capital gain under separate block of income		8,778,662	9,917,700
Tax effect of dividend income taxable under FTR		349,275	442,208
Effect of deferred taxation		1,496,186	(630,889)
Effect of change in prior years' tax		2,813,523	287,826
Tax expense for the year		<u>26,907,616</u>	<u>10,016,845</u>
23 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES			

	Liabilities		Equity			
	Trade and other payable	Short term running finance	Issued, subscribed & paid-up capital	Sponsors' loan	Surplus on revaluation of investments	Total
	----- (Rupees) -----					
Balance as at July 01, 2020	40,147,776	20,442,704	35,000,000	54,757,484	2,131,656	152,479,620
Changes from financing cash flows	-	-	-	-	-	-
Liability-related:						
Changes in trade and other payable	42,147,882	-	-	-	-	42,147,882
Loan paid during the year	-	-	-	(1,500,000)	-	(1,500,000)
Total comprehensive loss for the year	-	17,703,233	-	-	-	17,703,233
Unrealized (loss) / gain on remeasurement of investment at fair value through other comprehensive income	-	-	-	-	23,517,912	23,517,912
	42,147,882	17,703,233	-	(1,500,000)	23,517,912	81,869,027
Balance as at June 30, 2021	82,295,658	38,145,937	35,000,000	53,257,484	25,649,568	234,348,647

CPC

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risk. Such financial risk emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the company's financial performance. Risk measures and managed by company are explained below:

24.1 Market Risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in market variables such as interest rate and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the company's short term finance with varying interest rates. Management of the company estimates that increase of 100 base point in the interest rate, with all other factors remaining constant, would increase / decrease the company's after tax profit by Rs. 107,726/- (2020: Rs. 204,427/-). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transaction in foreign currency. The company has no transactions in foreign currency during the current year.

24.2 Liquidity risks

Liquidity risk is a risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments, The management believe that it is not expose to any significant level of liquidity risk. The management forecast the liquidity of the company on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

2021	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- (Rupees) -----				
Trade and other payables	82,295,658	-	-	-	82,295,658
Short term running finance - secured	-	38,145,937	-	-	38,145,937
Total	82,295,658	38,145,937	-	-	120,441,595
2020	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- (Rupees) -----				
Trade and other payables	40,147,776	-	-	-	40,147,776
Short term running finance - secured	-	20,442,704	-	-	20,442,704
Total	40,147,776	20,442,704	-	-	60,590,480

gnc

Fair value of financial instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction, consequently, difference may arises between the carrying value and fair value estimates.

As at June 30, 2021 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying value.

24.3 Credit risks

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021	2020
	----- (Rupees) -----	
Financial Assets		
Trade debts	69,199,851	71,689,803
Advance, deposits, prepayments and other receivables	221,179,828	118,619,786
Short term investments	162,911,331	37,871,579
Cash and bank balances	17,589,896	21,822,549
	<u>470,880,906</u>	<u>250,003,718</u>

25. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structures in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

Net capital requirements of the Company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

26. BASE MINIMUM CAPITAL

In compliance with the Regulation 19.3 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Securities Brokers (Licensing and Operations) Regulations, 2016 is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June 2021, the Company is required to maintain BMC of Rs. 19 million.

The notional value of TREC, cash deposit and breakup value of shares for the purpose of BMC is determined by PSX as under:

Trading Right Entitlement Certificate	2,500,000
Securitized PSX Shares	31,234,000
	<u>33,734,000</u>

CYC

27. Capital Adequacy Level

	2021	2020
	----- (Rupees) -----	
Total assets	479,876,189	260,956,078
Total liabilities	(143,670,174)	(70,950,388)
Revaluation reserve created upon revaluation of fixed	-	-
	<u>336,206,015</u>	<u>190,005,690</u>

- 27.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by Time Securities (Private) Limited Limited as at year ended 30 June 2021 as determined by Pakistan Stock Exchange has been considered.

GR

28 Net Capital Capital

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

DESCRIPTION	VALUATION BASIS	VALUE Rupees
<u>Current Assets</u>		
Cash in hand	As per book value	66,175
Cash at bank	As per book value	
- In the name of broker		981,149
- In the name of client		16,542,572
		17,523,721
Trade Receivables	Book Value	72,226,664
	Over due for more than 14 days	(9,100,838)
		63,125,826
Securities purchased for clients	Securities purchased for the clients and held by the member where the payment has not been received within 14 days	2,405,929
Deposits against exposure and losses with Karachi Stock Exchange	As per Book Value	189,880,279
Investment in listed Securities in the name of broker	Market-value	131,677,332
	Less: 15% discount	(19,751,602)
		111,925,730
		384,927,660
<u>Current Liabilities</u>		
Trade payables	Book value	36,297,950
	Overdue for more than 30 days	(12,151,245)
		24,146,705
Other liabilities	As classified under the generally acceptable accounting principles	68,595,614
Trade payables	Overdue by 30 days	12,151,245
		104,893,565
Short term running finance		38,145,937
Net Capital Balance as at June 30, 2021		241,888,158

gxc

28.1 NOTES TO THE NET CAPITAL BALANCE

(i) STATEMENT OF COMPLIANCE

The statement of Net Capital Balance ("the Statement") of **Time Securities (Private) Limited** ("the Company") has been prepared in accordance with Rule 2(d) and the Third Schedule of the Securities and Exchange Rules, 1971 and in accordance with the clarifications/ guidelines issued by the Securities and Exchange Commission of Pakistan (SECP).

(ii) BANK BALANCES AND CASH DEPOSITS

Note ----- Rupees -----

These are stated at book value.

Cash in hand		66,175
Bank balance pertaining to:		
Brokerage house	981,149	
Client	16,542,572	
Total bank balance		17,523,721
Less: adjustment to restrict client account to overall creditors		-
		<u>17,589,896</u>

(iii) The client's bank account balance amounting to **Rs. Nil** has been restricted to overall trade payable balance for the purpose of Net Capital Balance in accordance with clause 1.5 of clarification/guidelines issued by SECP on 03 July 2013.

(iv) TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

	----- Rupees -----	
Trade receivables	70,436,532	
Receivable against margin financing	1,790,132	
Total receivables		<u>72,226,664</u>

(v) INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

Listed securities which are on the stock exchange are valued at market rates prevailing as on June 30, 2021 less 15% discount as prescribed in Rule 2(d) of the Third Schedule to the Securities and Exchange Rules, 1971, Securities. On default counter and those not appearing on the exposure list of the stock exchange where such securities are listed have been excluded from the calculation.

gnc

Script	No. of shares	Market Value	Discount 15%	Carrying Value
Attock Refinery Limited	350	89,758	(13,464)	76,294
Azgard Nine Limited	5,000	169,450	(25,418)	144,032
B.R.R. Guardian Modaraba	24,400	322,812	(48,422)	274,390
Bank Of Punjab Limited	711	5,972	(896)	5,076
Byco Petroleum Pak Limited	74,000	859,140	(128,871)	730,269
Century Paper And Board Mills	1,000	122,070	(18,311)	103,759
Cherat Packaging Limited	4,510	897,084	(134,563)	762,521
Dewan Textile Mills Limited	388	1,048	(157)	891
Ferozsons Laboratories Limited	1,100	388,102	(58,215)	329,887
Frieslandcampina Engro Pakistan	90,000	10,357,200	(1,553,580)	8,803,620
Hinopak Motors Limited	20,000	12,243,000	(1,836,450)	10,406,550
J. D. W. Sugar Mills Limited	409	91,207	(13,681)	77,526
Javedan Corporation Limited	96,228	4,060,822	(609,123)	3,451,699
Kohinoor Mills Limited	204	6,120	(918)	5,202
Kohinoor Power Company Limited	88,500	584,100	(87,615)	496,485
Maqbool Textile Mills Limited	3,000	94,500	(14,175)	80,325
MCB Bank Limited	3	479	(72)	407
Merit Packaging Limited	3,500	61,810	(9,272)	52,538
Nishat (Chunian) Limited	72	3,621	(543)	3,078
Packages Limited	1,811	987,357	(148,104)	839,253
Pakistan Stock exchange	502,953	11,220,882	(1,683,132)	9,537,750
First Pak Modarba	70	245	(37)	208
Pakistan Refinery Limited	5,000	123,050	(18,458)	104,592
Picic Insurance Limited	2	3	-	3
First Prudential Modarba	269	699	(105)	594
Service Fabrics Limited	300,000	9,567,000	(1,435,050)	8,131,950
Shell Pakistan Limited	55	9,636	(1,445)	8,191
Sui Southern Gas Co. Limited	50,000	665,000	(99,750)	565,250
Tariq Glass Limited	21,656	2,303,765	(345,565)	1,958,200
Telecard Limited	35,000	519,400	(77,910)	441,490
Towellers Limited	500	62,000	(9,300)	52,700
TPL Corporation Limited	800,000	15,640,000	(2,346,000)	13,294,000
TPL Properties Limited	2,000,000	60,220,000	(9,033,000)	51,187,000
		<u>131,677,332</u>	<u>(19,751,602)</u>	<u>111,925,730</u>

CNC

(vi) SECURITIES PURCHASED FOR CLIENTS

These amount represents to the lower of value of securities appearing in the clients respective sub account to the extent of overdue balance for more than 14 days or value of investments.

(vii) TRADE PAYABLES

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.

(viii) OTHER LIABILITIES

These represent current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

The breakup is as follows:**----- Rupees -----**

Adit fee payable	368,984
FED Payable	824,236
Salaries Payble	741
Future cash exposure demand	27,221,516
Income tax payable	1,440
Tax payable on commission	347,963
CGT Payable	15,894,926
Dealers and agents balance	1,144,028
Provision for taxation	22,597,907
Bank markup	193,873

68,595,614

GNC

29 Liquid Capital Balance

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	3,059,000	3,059,000	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	Investment in Equity Securities			
1.5	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.	131,677,332	39,649,344	92,027,988
	ii. If unlisted, 100% of carrying value.	-	-	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,646,151	1,646,151	-
1.9	Margin deposits with exchange and clearing house.	189,880,279	-	189,880,279

CPC

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	-	-	-
	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. i. Lower of net balance sheet value or value determined through adjustments.	1,790,132	1,410,760	1,410,760
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. 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. iv. Balance sheet value	54,223,265	-	54,223,265
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	16,213,266	7,875,496	7,875,496
	vi. 100% haircut in the case of amount receivable from related parties.	-	-	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	981,149	-	981,149
	ii. Bank balance-customer accounts	16,542,572	-	16,542,572
	iii. Cash in hand	66,175	-	66,175
1.19	Total Assets	418,579,321	56,140,751	363,007,684

CPC

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	36,297,950	-	36,297,950
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	45,997,708	-	45,997,708
	iii. Short-term borrowings	38,145,937	-	38,145,937
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	1,236,681	-	1,236,681
	viii. Provision for taxation	22,597,907	-	22,597,907
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital	-	-	-
	b. Board of Directors of the company has approved the increase in capital	-	-	-
	c. Relevant Regulatory approvals have been obtained	-	-	-
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.	-	-	-
2.4	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	-	-	-
	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	53,257,484	53,257,484	-
	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	197,533,668	53,257,484	144,276,183

940

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
--------	-----------------	---------------------	------------------------	--------------------

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.	1,544,850	1,489,529	1,489,529
3.2	Concentration in securites lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments			
3.4	Negative equity of subsidiary	-	-	-
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	-
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurrency 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 securites. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	3,011,000	3,011,000	3,011,000

GNC

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Opening Positions in futures and options	-	-	-
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			
	Short sell positions	-	-	-
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	Total Ranking Liabilities	4,555,850	4,500,529	4,500,529
	Liquid Capital Balance	216,489,803		214,230,972

CNC

30 RELATED PARTY TRANSACTIONS

Related parties comprise of shareholders, directors and their subordinates and key management personnel of the company. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship	Nature of transaction	2021 ----- (Rupees) -----	2020 -----
Directors	loan repaid	<u>4,000,000</u>	<u>8,950,000</u>
Directors	loan obtained	<u>2,500,000</u>	<u>-</u>

31 PROVIDENT FUND RELATED DISCLOSURE

The Company does not maintain any provident fund for its employees.

32 NUMBER OF EMPLOYEES

	2021	2020
Average number of employees during the year	<u>26</u>	<u>24</u>
Employees at year end	<u>26</u>	<u>26</u>

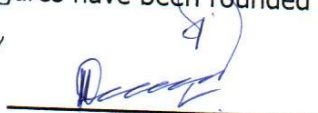
33 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 05 OCT 2021 by the Board of Directors of the company.

34 GENERAL

Figures have been rounded off to the nearest rupee.

CHC


CHIEF EXECUTIVE


DIRECTOR



Karachi Office

F-4/2, Mustafa Avenue, Block 9,
Behind "The Forum"
Clifton, Karachi-Pakistan.
Ph: (92-21) 35877806-810
URL: www.crowe.pk

Other Offices

Lahore & Islamabad