



**TIME SECURITIES (PRIVATE)
LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

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 2022 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 2022 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.

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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.

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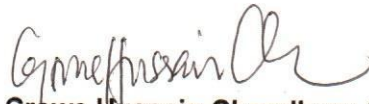
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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:

26 OCT 2022

UDIN: AR202210207xLeJRaFNG

TIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

EQUITY AND LIABILITIES
Share Capital and Reserves

Authorised Capital
400,000 (2021: 400,000) ordinary shares of Rs. 100 each
Issued, subscribed & paid-up capital
Sponsors' loan
Fair value reserve
Unappropriated profit

Non-Current Liabilities

Deferred taxation

Current Liabilities

Trade and other payables
Short term running finance - secured
Provision for taxation

Contingencies and Commitments

Total Equity and Liabilities

ASSETS

Non-Current Assets

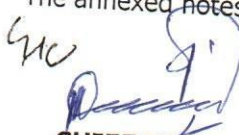
Property and equipment
Intangible assets
Deferred taxation
Long term deposits

Current Assets

Investment in margin financing
Trade debtors
Advances, deposits, prepayments and other receivables
Short term investments
Cash and bank balances

Total Assets

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


CHIEF EXECUTIVE


DIRECTOR

Note	2022 ----- (Rupees) -----	2021 -----
5	<u>40,000,000</u>	<u>40,000,000</u>
6	<u>35,000,000</u>	<u>35,000,000</u>
	<u>53,257,484</u>	<u>53,257,484</u>
	<u>16,196,846</u>	<u>25,649,568</u>
	<u>45,101,279</u>	<u>222,298,963</u>
	<u>149,555,609</u>	<u>336,206,015</u>
12	-	630,672
7	<u>33,473,343</u>	<u>82,295,658</u>
8	<u>20,392,495</u>	<u>38,145,937</u>
	<u>1,209,387</u>	<u>22,597,907</u>
	<u>55,075,225</u>	<u>143,039,502</u>
9	-	-
	<u>204,630,834</u>	<u>479,876,189</u>
10	<u>2,796,743</u>	<u>3,059,000</u>
11	<u>2,500,000</u>	<u>2,500,000</u>
12	<u>994,816</u>	-
13	<u>1,646,151</u>	<u>1,646,151</u>
	<u>7,937,710</u>	<u>7,205,151</u>
14	<u>988,004</u>	<u>1,790,132</u>
15	<u>69,229,747</u>	<u>69,199,851</u>
16	<u>62,461,375</u>	<u>221,179,828</u>
17	<u>34,703,717</u>	<u>162,911,331</u>
18	<u>29,310,281</u>	<u>17,589,896</u>
	<u>196,693,124</u>	<u>472,671,038</u>
	<u>204,630,834</u>	<u>479,876,189</u>

TIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2 0 2 2 ----- (Rupees) -----	2 0 2 1 -----
Revenue			
Brokerage commision		29,633,663	30,331,425
Gain on sale of investment		5,659,058	286,758,796
Unrealized (loss) /gain on fair value through profit and loss investments		(4,284,902)	7,045,798
		31,007,819	324,136,019
Administrative and operating expenses	19	(74,899,589)	(53,784,468)
		(43,891,770)	270,351,551
Other income	20	14,719,364	21,815,746
		(29,172,406)	292,167,298
Finance cost	21	(816,841)	(1,077,268)
(Loss) / profit before taxation		(29,989,247)	291,090,029
Taxation	22	2,291,563	(26,907,616)
(Loss) / Profit after tax		(27,697,684)	264,182,413

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

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CHIEF EXECUTIVE


DIRECTOR

TIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	----- (Rupees) -----	-----
(Loss) / profit after taxation	(27,697,684)	264,182,413
Other comprehensive income		
- Unrealised (loss)/gain - FVOCI investment	(9,452,722)	23,517,912
Total comprehensive (loss)/income for the year	<u><u>(37,150,406)</u></u>	<u><u>287,700,325</u></u>

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

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CHIEF EXECUTIVE


DIRECTOR

TIME SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

2022 **2021**
 ----- (Rupees) -----

Cash Generated from Operations

(Loss)/Profit before taxation

(29,989,247) 291,090,029

Adjustments for

Depreciation

Finance cost

(Gain) on disposal of investment

Bad debts written off directly

Provision for bad debts

Loss/(Gain) on remeasurement of investments - net

394,703	438,726
816,841	1,077,268
(5,659,058)	(286,758,796)
(17,063,405)	(2,170,001)
-	(2,522,184)
4,284,902	(7,045,798)
(17,226,017)	(296,980,784)
(47,215,264)	(5,890,755)

Changes in working capital

(Increase)/decrease in current assets

Trade debts

Advance, deposits, prepayments and other receivables

Short term investments

(29,896)	2,387,780
161,446,342	(115,335,600)
83,906,273	(86,876,781)
245,322,719	(199,824,601)

(Decrease)/increase in current liabilities

Trade and other payables

(48,822,315)	42,147,882
149,285,139	(163,567,473)

Finance cost paid

Income tax paid

Net cash generated from operating activities

(797,182)	(3,448,379)
(2,061,811)	(397,873)
146,426,146	(167,413,726)

Cash Flows From Investing Activities

Sale of investments - net

Fixed capital expenditure

Net cash generated from investing activities

32,680,129	287,382,832
(132,446)	(404,991)
32,547,683	286,977,841

Cash Flow From Financing Activities

Running finance

Sponsors' loan paid

Dividend paid

Net cash generated from financing activities

(17,753,443)	17,703,233
-	(1,500,000)
(149,500,000)	(140,000,000)
(167,253,443)	(123,796,767)

Net increase in cash and cash equivalents

11,720,385	(4,232,653)
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Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

17,589,896	21,822,549
29,310,281	17,589,896

The annexed notes form 1 to 33 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, 2022

Description	Issued, subscribed & paid-up capital	Unappropriated profits	Sponsors' loan	Surplus on revaluation of investments	Total
------(Rupees)-----					
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 July 01, 2021	35,000,000	222,298,963	53,257,484	25,649,568	336,206,015
Loan repaid during the year	-	-	-	-	-
Total comprehensive (loss) for the year	-	(27,697,684)	-	(9,452,722)	(37,150,406)
Dividend paid	-	(149,500,000)	-	-	(149,500,000)
Balance as at June 30, 2022	35,000,000	45,101,279	53,257,484	16,196,846	149,555,609

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

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CHIEF EXECUTIVE



DIRECTOR

TIME SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

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3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

There were certain amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022. 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

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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.

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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.

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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 specified 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

GTC

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.

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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 cost 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.

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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.

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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.

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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 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	2022 ----- (Rupees) -----	2021 -----
350,000 (2021: 350,000) ordinary shares of Rs. 100 each fully paid in cash		35,000,000	35,000,000
		<u>35,000,000</u>	<u>35,000,000</u>

7 TRADE AND OTHER PAYABLE

Trade payable		28,244,347	36,297,950
Markup payable on running finance		213,532	193,873
Income tax payable		115,232	-
Accrued expenses		445,665	-
Payable against future exposure		3,171,659	-
FED payable		192,337	-
Other payable		1,090,570	45,803,835
		<u>33,473,343</u>	<u>82,295,658</u>

8 SHORT TERM RUNNING FINANCE - SECURED

Bank Al-Falah Limited	8.1	1,320,224	2,192,871
JS Bank Limited	8.2	19,072,270	35,953,066
		<u>20,392,495</u>	<u>38,145,937</u>

8.1 The Company has obtained running finance facilities under mark-up arrangement of Rs. 75 (2021: 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, 2023.

8.2 The Company has obtained running finance facilities under mark-up arrangement of Rs. 75 (2021: 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, 2023.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (2021: Nil)

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10 PROPERTY AND EQUIPMENT

Description	Office Premise	Furniture and fixture	Office equipments	Computer Equipment	Motor Vehicles	Total
COST						
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
Balance as at 01 July, 2021	6,000,000	1,107,855	1,645,689	3,003,524	243,000	12,000,068
Additions	-	-	71,000	61,446	-	132,446
Deletion	-	-	-	-	-	-
Balance as at 30 June, 2022	6,000,000	1,107,855	1,716,689	3,064,970	243,000	12,132,514
DEPRECIATION						
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
Balance as at 01 July, 2021	3,675,477	1,009,501	1,247,321	2,801,888	206,880	8,941,068
Charge for the year	232,452	14,753	68,685.14	73,394.69	5,418	394,703
Adjustment of disposal	-	-	-	-	-	-
Balance as at 30 June, 2022	3,907,929	1,024,254	1,316,007	2,875,283	212,298	9,335,771
Carrying Amount - 2022	2,092,071	83,601	400,682	189,687	30,702	2,796,743
Carrying Amount - 2021	2,324,523	98,354	398,368	201,636	36,120	3,059,000
Rate of Depreciation	10%	15%	15%	30%	15%	

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	Note	2022 ----- (Rupees) -----	2021 -----
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:

Accelerated tax depreciation	6,557	(67,560)
Investments- FVTPL	(642,735)	1,056,870
Provisions for doubtful debts	(358,637)	(358,638)
Deferred tax (asset)/liability	<u>(994,816)</u>	<u>630,672</u>

13 LONG TERM DEPOSIT

Pakistan Stock Exchange Limited	13.1	1,200,000	1,200,000
National Clearing Company of Pakistan		300,000	300,000
Central Depository Company of Pakistan		100,000	100,000
Telephone deposits		39,151	39,151
Other deposits		7,000	7,000
		<u>1,646,151</u>	<u>1,646,151</u>

13.1 This includes Base Minimum Capital, deposited with Pakistan Stock Exchange.

	Note	2022 ----- (Rupees) -----	2021 -----
14 INVESTMENT IN MARGIN FINANCING			
Investment in margin financing :	14.1	<u>988,004</u>	<u>1,790,132</u>
		<u>988,004</u>	<u>1,790,132</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%.			

	Note	2022 ----- (Rupees) -----	2021 -----
15 TRADE DEBTORS			
Receivable from customers		33,884,927	30,879,167
Receivable from related parties	15.1	35,344,820	38,320,683
Considered doubtful		1,236,681	1,236,681
- Provision for impairment on trade debts	15.2	70,466,428	70,436,532
		(1,236,681)	(1,236,681)
		<u>69,229,747</u>	<u>69,199,851</u>

15.1 This represents amount receivable from director of the Company.

etc

2022 2021
----- (Rupees) -----

15.2 Provision for impairment on trade debts

Opening balance	1,236,681	884,499
Written off during the year	17,063,405	2,522,184
Impairment during the year	(17,063,405)	(2,170,001)
Closing balance	<u>1,236,681</u>	<u>1,236,681</u>

15.3 Aging analysis

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

2022 2021
----- (Rupees) -----

Upto 14 days	43,379,825	61,335,694
More than 14 days	27,086,603	9,100,838
	<u>70,466,428</u>	<u>70,436,532</u>

16 ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES

NCCPL and PSX deposits	6,249,532	7,595,318
Exposure deposits with PSX and NCCPL	32,500,000	184,702,183
Base minimum capital deposit	700,000	-
Advance payment of tax	3,125,760	397,873
Income tax refundable	19,886,082	28,484,455
Other receivables	-	-
	<u>62,461,374</u>	<u>221,179,828</u>

2022 2021
----- (Rupees) -----

17 SHORT TERM INVESTMENT

Financial assets classified as FVTPL

Shares of listed companies - carrying amount	17.1	19,521,411	113,410,653
Unrealized (loss) /gain on revaluation of fair value through profit or loss investments		(4,284,903)	7,045,797
Fair value as at June 30,		<u>15,236,508</u>	<u>120,456,450</u>

Financial assets classified as FVTOCI

Share of listed companies - carrying amount	17.2	28,919,938	18,936,969
Unrealized (loss)/gain on revaluation of fair value through other comprehensive income		(9,452,722)	23,517,912
Fair value as at June 30,		<u>19,467,209</u>	<u>42,454,881</u>

Total short term investment

	<u>34,703,717</u>	<u>162,911,331</u>
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	Note	2022	2021
		----- (Rupees) -----	
18 CASH AND BANK BALANCES			
Cash in hand		66,175	66,175
Cash at bank-current account		<u>29,244,106</u>	<u>17,523,721</u>
		<u>29,310,281</u>	<u>17,589,896</u>
19 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries allowance and other benefits	19.1	31,192,775	25,624,550
Rent, rates and taxes		128,547	919,164
Repairs and maintainance		1,052,385	1,039,096
Software maintenance charges		722,754	-
Auditors' remuneration	19.2	404,092	351,384
Legal and professional charges		1,031,800	350,670
Printing and stationary		82,746	130,993
Travelling and conveyance		44,080	47,930
Utilities		1,199,817	1,030,319
Fees and subscription		3,276,234	12,394,818
Entertainment		630,422	545,824
Postage and courier expense		75,355	126,920
Depreciation		394,703	438,726
Insurance expense		38,000	38,000
Transaction charges		3,955,454	-
Trade debts written off		17,063,405	2,522,184
Others		1,127,020	1,423,890
Donation	19.3	12,480,000	6,800,000
		<u>74,899,589</u>	<u>53,784,468</u>

19.1 Remuneration of Directors and Chief Executive

Particulars	Chief Executive		Directors	
	----- (Rupees) -----			
	2022	2021	2022	2021
Remuneration	3,640,000	3,320,000	2,800,000	2,540,000
No of Persons	1	1	1	1

	2022	2021
	----- (Rupees) -----	
19.2 Auditors' remuneration		
Audit fee	367,356	319,440
Out of pocket expense	36,736	31,944
	<u>404,092</u>	<u>351,384</u>

19.3 During the year, the Company has made following donations

Dawat-E-Islami	11,980,000	6,300,000
Bantwa Memon Jamat	500,000	500,000
	<u>12,480,000</u>	<u>6,800,000</u>

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	Note	2022	2021
		----- (Rupees) -----	
20 OTHER INCOME			
Profit on margin deposit		4,494,748	3,340,992
Profit on margin financing		-	338,895
Dividend income		2,596,610	2,328,500
Transaction and custody fees		7,628,006	15,807,360
		<u>14,719,364</u>	<u>21,815,746</u>
21 FINANCE COST			
Short term running finance		469,438	632,470
Bank charges		347,403	444,798
		<u>816,841</u>	<u>1,077,268</u>
22 TAXATION			
Current		1,209,387	22,597,907
Deferred		(1,625,488)	1,496,186
Prior		(1,875,463)	2,813,523
		<u>(2,291,563)</u>	<u>26,907,616</u>

23 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:

23.1 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. 90,753/- (2021: Rs. 107,726/-). 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.

etc

23.2 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.

2022	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- (Rupees) -----				
Trade and other payables	33,455,772	-	-	-	33,455,772
Short term running finance - secured	-	20,392,495	-	-	20,392,495
Total	33,455,772	20,392,495	-	-	53,848,267

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

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, 2022 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying value.

23.3 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:

Financial Assets	2022 ----- (Rupees) -----	2021 -----
Trade debts	69,229,747	69,199,851
Advance, deposits, prepayments and other receivables	62,461,374	221,179,828
Short term investments	34,703,717	162,911,331
Cash and bank balances	29,310,281	17,589,896
	195,705,118	470,880,906

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24. 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.

25. 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 2022, 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
Cash deposit	700,000
Securitized PSX Shares	19,471,843
	<u>22,671,843</u>
	2022
	(Rupees)

26. Capital Adequacy Level

Total assets	204,630,833
Total liabilities	(55,057,654)
Revaluation reserve created upon revaluation of fixed assets	-
	<u>149,573,179</u>

- 26.1 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 2022 as determined by Pakistan Stock Exchange has been considered.

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27 Net 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		970,219
- In the name of client		28,273,886
		29,244,105
Trade Receivables	Book Value	71,454,432
	Over due for more than 14 days	(27,086,603)
		44,367,829
Securities purchased for clients	Securities purchased for the clients and held by the member where the payment has not been received within 14 days	8,663,387
Deposits against exposure with PSX and NCCPL.	As per Book Value	36,875,000
Investment in listed Securities in the name of broker	Market-value	12,238,546
	Less: 15% discount	(1,835,782)
		10,402,764
		129,619,260
<u>Current Liabilities</u>		
Trade payables	Book value	28,244,347
	Overdue for more than 30 days	(11,858,632)
		16,385,715
Other liabilities	As classified under the generally acceptable accounting principles	6,438,382
Trade payables	Overdue by 30 days	11,858,632
		34,682,730
Short term running finance		20,392,495
Net Capital Balance as at June 30, 2022		74,544,035

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27.1 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	970,219	
Client	28,273,886	
Total bank balance		29,244,105
Less: adjustment to restrict client account to overall creditors		-
		<u>29,310,280</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	70,466,428
Receivable against margin financing	988,004
Total receivables	<u>71,454,432</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, 2022 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.

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(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 -----
Markup payable on running finance	213,532
Income tax payable	115,232
Accrued expenses	445,665
Payable against future exposure	3,171,659
FED payable	192,337
Other payable	1,090,570
Provision for taxation	1,209,387
	6,438,382

etc

28 Liquid Capital Balance

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,796,743	2,796,743	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	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.	-	-	-
1.4	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			
	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.	12,238,546	(3,643,850)	8,594,696
	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.	-	-	-
1.5	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of Investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of Investment in securities shall be applicable (August 25, 2017)	-	-	-
1.6	Investment in subsidiaries	-	-	-
	Investment in associated companies/undertaking			
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.	1,646,151	1,646,151	-
1.9	Margin deposits with exchange and clearing house.	36,875,000	-	36,875,000

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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. <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	-	-	-
	ii. Receivables other than trade receivables	-	-	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	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.	988,004	627,702	627,702
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	6,791,286	-	6,791,286
	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	28,330,323	9,317,233	9,317,233
	vi. 100% haircut in the case of amount receivable from related parties.	35,344,820	35,344,820	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	970,219	-	970,219
	ii. Bank balance-customer accounts	28,273,886	-	28,273,886
	iii. Cash in hand	66,175	-	66,175
1.19	Total Assets	156,821,152	48,588,799	91,516,197

CNC

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	28,244,347	-	28,244,347
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	6,438,382	-	4,824,899
	iii. Short-term borrowings	20,392,495	-	20,392,495
	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	1,209,387	-	1,209,387
	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	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified:			
	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.			
2.5	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	110,778,776	53,257,484	55,907,809

CNC

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.	988,004	988,004	988,004
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments			
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	453,493	453,493	453,493

CNC

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	1,441,497	1,441,497	1,441,497
	Liquid Capital Balance	44,600,878		34,166,891

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29 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	2022	2021
		----- (Rupees) -----	-----
Directors	loan repaid	-	4,000,000
Directors	loan obtained	-	2,500,000

30 PROVIDENT FUND RELATED DISCLOSURE

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

31 NUMBER OF EMPLOYEES

	2022	2021
	----- (Number) -----	-----
Average number of employees during the year	30	26
Employees at year end	30	26

32 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 26 OCT 2022 by the Board of Directors of the company.

33 GENERAL

Figures have been rounded off to the nearest rupee.

CNC

CHIEF EXECUTIVE


DIRECTOR



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