

**Zahid Latif Khan Securities
(Private) Limited**

Audited Financial Statements

FY Ended 30 June, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of **ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of 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, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, 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 and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of 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) the securities broker was in compliance with the requirements of section 78 of the Act and section 62 of the Futures Act, and the relevant requirement of these regulations as at the date on which the balance sheet was prepared.
- e) 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 Ul Haq.

Place: Islamabad
Date:

UDIN: AR202310163aubLEPvRH


Nasir Javaid Maqsood Imran
Chartered Accountants



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	21,836,857	24,148,423
Long term deposits	5	1,420,000	1,420,000
Long term investments	6	62,391,438	56,989,845
Intangible assets	7	2,500,000	2,500,000
Deferred tax asset	8	20,423,258	4,696,475
		108,571,552	89,754,743
CURRENT ASSETS			
Short term investment	9	132,999,598	131,070,973
Trade receivables	10	165,009,790	141,709,108
Advances	11	35,779,152	51,695,929
Deposits and other receivables	12	14,583,519	19,595,499
Cash and bank balances	13	103,441,967	166,248,946
		451,814,027	510,320,455
TOTAL ASSETS		560,385,579	600,075,198
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	110,000,000	110,000,000
Capital reserve:			
Deposit for shares		65,000,000	-
Revenue reserve:			
Unappropriated profit		125,155,017	171,815,867
		300,155,017	281,815,867
CURRENT LIABILITIES			
Trade and other payables	15	109,329,705	154,513,589
Accrued interest	16	11,235,031	3,684,386
Short term bank borrowings	17	138,267,232	156,683,654
Provision for taxation	18	1,398,594	3,377,702
		260,230,562	318,259,331
TOTAL EQUITY AND LIABILITIES		560,385,579	600,075,198
CONTINGENCIES AND COMMITMENTS			
	19	-	-

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

CHIEF EXECUTIVE

DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Revenue	20	70,730,901	116,622,843
Capital/gain (loss) realised - net		(20,976,421)	9,916,125
Unrealized fair value gain/(loss) on investment remeasurement-FVTPL - net	22.1	14,364,880 64,119,360	(283,356,909) (156,817,940)
Direct expenses	23	(68,024,187) (3,904,827)	(75,682,206) (232,500,147)
Operating expenses	24	(21,201,764) (25,106,592)	(25,581,901) (258,082,048)
Financial charges	25	(38,207,529)	(10,903,343)
Other income	26	1,945,505	19,355
Profit/(loss) before taxation		(61,368,617)	(268,966,036)
Taxation	27	14,707,767	(1,186,925)
Net profit/(loss) after taxation		(46,660,850)	(270,152,961)

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


 CHIEF EXECUTIVE


 DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Net (loss)/ profit for the year		(46,660,850)	(270,152,961)
Items that may not be reclassified to profit or loss:		-	-
Total comprehensive (loss) / income for the year		<u><u>(46,660,850)</u></u>	<u><u>(270,152,961)</u></u>

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


CHIEF EXECUTIVE


DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)/ profit before tax		(61,368,617)	(268,966,036)
Adjustments for non-cash and other items:			
Depreciation		4,105,827	3,407,255
Financial charges		38,207,529	10,903,343
Gain on disposal		(354,154)	-
Provision for bad debts		(313)	2,760,574
Unrealized (gain)/loss on short term investment		(14,364,880)	283,356,909
		27,594,008	300,428,081
		(33,774,609)	31,462,045
Working capital changes			
(Increase) / decrease in current assets:			
Short term investment		5,523,654	14,655,682
Trade receivables		(23,300,369)	(14,628,245)
Loans and advances		15,916,777	98,329,715
Deposits, prepayments and other receivables		5,006,242	31,171,052
		3,146,305	129,528,204
Increase / (decrease) in current liabilities		(45,183,884)	(232,618,201)
		(75,812,188)	(71,627,952)
Finance charges paid		(30,656,884)	(8,966,701)
Income tax paid		(1,481,371)	(3,478,778)
Net cash generated from operating activities		(107,950,443)	(84,073,431)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of assets		5,200,000	-
Fixed capital expenditure		(6,640,114)	(7,557,642)
Net cash (used in) investing activities		(1,440,114)	(7,557,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money		65,000,000	-
Long term loan repaid		(18,416,422)	(4,778,643)
Net cash inflow from financing activities		46,583,578	(4,778,643)
Net increase / (decrease) in cash and cash equivalents		(62,806,979)	(96,409,716)
Cash and cash equivalents at the beginning of the year		166,248,946	262,658,662
Cash and cash equivalents at the end of the year	13	103,441,967	166,248,946

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

CHIEF EXECUTIVE

DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	REVENUE RESERVE		CAPITAL RESERVE	TOTAL
	SHARE CAPITAL	ACCUMULATED PROFIT / (LOSS)	DEPOSIT FOR SHARES	
-----Rupees-----				
Balance as at July 01, 2021	55,000,000	441,968,828	55,500,000	552,468,828
Issue of shares against deposit for shares	55,000,000	-	(55,000,000)	-
Other liabilities	-	-	(500,000)	-
Total comprehensive loss for the year	-	(270,152,961)	-	(270,652,961)
Balance as at June 30, 2022	110,000,000	171,815,867	-	281,815,867
Balance as at July 01, 2022	110,000,000	171,815,867	-	281,815,867
Deposit for shares	-	-	65,000,000	65,000,000
Total comprehensive loss for the year	-	(46,660,850)	-	(46,660,850)
Balance as at June 30, 2023	110,000,000	125,155,017	65,000,000	300,155,017

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


 CHIEF EXECUTIVE


 DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 The Company and its operations

The company was incorporated in Pakistan on May 06, 1999 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company. The company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited and duly registered with the Securities and Exchange Commission of Pakistan (SECP). It started its commercial activities with effect from July 06, 1999.

The main object of the company is to carry on the business of broker in stocks, shares, securities under license or with the foreign permission or approval of any recognized association, authority, stock exchange, or other market in Pakistan or abroad. The registered office of the company is situated at Room No. 624-627, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

Geographical location of all Branches is:

Branches	Addresses
Corporate Office	412, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
Cantt Branch	23-Al Amin Plaza, The Mall, Rawalpindi Cantt
Chaklala Branch	61-C 1st Floor, Aneeq Plaza Street 12, Commercial area Chaklala Scheme-III, Rawalpindi
Abbottabad Branch	Office No. C-5, First Floor, Awan Plaza, Mandian, Abbottabad
City Branch	201, 2nd Floor, Dubai Orakzai Plaza, Murree Road, Rawalpindi
Pindigheb Branch	Office No.1, Malik Saeed Market, Near Chief Chowk, Pindigheb
Wah Cantt Branch	Office No.2, 1st Floor, Mall View Plaza, The Mall, Wah Cantt
Islamabad Branch	408, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
NPF Branch	03, 1st Floor, Plot# 1315, NPF Housing Scheme PWD, Opposite Tehzeeb Bakers, Islamabad

2 Basis of preparation of financial statements

2.1 Statement of compliance

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

2.2 Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values except otherwise stated in relevant policies hereunder;

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.

2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3 Summary of significant accounting policies

Significant accounting policies adopted in the preparation of these financial statements are:

3.1 Taxation

The provision for current taxation is based on taxable income at the current rates of taxation. Company provides for the deferred taxation, if any, using the liability method. A deferred tax liability is recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and the carryforward of unused tax losses. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the statement of financial position date.

3.2 Property and equipment

- i These are stated at cost less accumulated depreciation and impairment losses, if any;
- ii Depreciation on operating assets is charged on reducing balance method. A full month's depreciation is charged in the month of addition and no depreciation is charged in the month of disposal;
- iii Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;
- iv Gain and losses on disposal of fixed assets, if any, included in profit and loss account currently;
- v The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

3.3 Impairment of non-financial assets

Assets that are subject to depreciation/amortization are reviewed at each statement of financial position date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.

3.4 Intangible assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

3.5 Revenue recognition

Brokerage and commission is recognized as and when such services are provided.
Capital gains or losses on sale of investments are recognized in the year in which they arise.
Dividend income is recognized at the time of book closure of the Company declaring the dividend.
Interest income is recognized on time apportionment basis when right is established.

3.6 Trade debts

These are stated transaction cost less provision for doubtful debts. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification. The provision for the year is provided after deducting the value of secured amounts.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks on current account.

3.8 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.9 Financial instruments

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, amortized cost or cost as the case may be.

Classification of financial assets:

The Company classifies its financial instruments in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At Amortized 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 flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized 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.

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At Amortized Cost

Financial liabilities are measured at amortized 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.

Subsequent Measurement

i) Financial assets and liabilities at amortized cost

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

ii) 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. Realized and unrealized 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 in the period in which they arise.

Where management has opted to recognize 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.

Impairment of financial asset

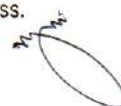
The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Derecognition

i) Financial assets

The Company derecognizes 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 amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

ii) Financial liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss.

3.10 Trade Date Accounting

All "regular way" purchases and sales of financial assets are recognized on trade date, i.e. the date on which the asset is sold to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

4 Property and equipment

	Office Building	Furniture and Fixture	Air Conditioners	Office Equipment	Motorcycle	Electronic Equipments	Computers	Generator	Telephone Installation	Motor Vehicle	Total
Rupees											
Year ended June 30, 2022											
Opening Net Book Value	6,443,829	1,507,581	336,643	72,089	14,308	389,695	791,644	1,149	163,987	4,560,230	14,281,157
Additions	-	806,575	418,584	-	-	254,562	1,137,976	-	11,036	10,645,778	13,274,511
Depreciation Charge	(644,383)	(336,994)	(95,427)	(10,813)	(2,146)	(93,457)	(411,421)	(172)	(26,116)	(1,787,326)	(3,407,255)
Disposal											
Adjustment											
Net Book Value	5,799,446	1,978,162	659,800	61,276	12,162	550,801	1,518,199	977	148,908	13,418,682	24,148,413
As at June 30, 2022											
Cost	9,066,936	3,925,888	1,050,691	151,941	167,925	1,027,447	4,452,953	19,100	347,083	15,575,757	36,785,731
Accumulated depreciation	(3,267,490)	(1,947,726)	(390,890)	(90,665)	(155,763)	(476,646)	(2,934,753)	(18,123)	(198,175)	(2,157,075)	(11,637,308)
Net book value	5,799,446	1,978,162	659,800	61,276	12,162	550,801	1,518,199	977	148,908	13,418,682	24,148,423
Year ended June 30, 2023											
Opening Net Book Value	5,799,446	1,978,162	659,800	61,276	12,162	550,801	1,518,199	977	148,908	13,418,682	24,148,413
Additions	-	171,211	-	-	-	25,000	2,593,241	-	-	3,850,662	6,640,114
Depreciation Charge	(579,945)	(313,845)	(98,970)	(9,191)	(1,824)	(85,545)	(952,866)	(147)	(22,336)	(2,041,137)	(4,105,827)
Disposal										(6,766,731)	(6,766,731)
Adjustment										1,920,885	1,920,885
Net Book Value	5,219,502	1,836,528	560,830	52,085	10,338	490,256	3,158,555	830	126,571	10,382,361	21,836,854
As at June 30, 2023											
Cost	9,066,936	4,097,099	1,050,691	151,941	167,925	1,052,447	7,046,194	19,100	347,083	12,659,688	36,659,104
Accumulated depreciation	(3,847,435)	(2,261,571)	(489,860)	(99,856)	(157,587)	(562,191)	(3,887,639)	(18,270)	(220,511)	(2,277,327)	(13,822,247)
Net book value	5,219,502	1,836,528	560,831	52,085	10,338	490,256	3,158,555	830	126,572	10,382,361	21,836,857
Rate of depreciation	10%	15%	15%	15%	15%	15%	30%	15%	15%	15%	

5 Long term deposits

Security deposits with:
National Clearing Company of Pakistan Limited
Pakistan Stock Exchange Limited
Mobile phones

Note	2023 Rupees	2022 Rupees
	1,200,000	1,200,000
	200,000	200,000
	20,000	20,000
	1,420,000	1,420,000

6 Long term investment

Trading right entitlement share holders

6.1	62,391,438	56,989,845
	62,391,438	56,989,845

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

6.1 Pursuant to the promulgation of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and Trading Right Entitlement Certificate (TREC) in lieu of membership card of ISE. The company entitlement in respect of ISE shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and the company has been allotted 3,034,603 shares of the face value of Rs 10/= each. These includes 60% shares of ISE, held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange will dispose off these shares under the provisions of the Act, however the proceeds of these shares and right to dividend/bonus are vested with the company whereas voting rights attached to these shares are suspended.

The company has recorded a surplus of Rs. 30.746 million on conversion of membership card of ISE to shares and TREC in the equity through profit and loss account during the year 2014-2015.

In absence of an active market for these shares, the company has taken has valued them at Rs.20.56/share(2022: 17.46/share), which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. This fact indicates an acceptable level of value for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investors' interest. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

	Note	2023 Rupees	2022 Rupees
7 Intangible assets			
Membership card	7.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

7.1 In the absence of an active market for TREC, the company has taken the cost of TREC at Rs 2.5 million, which is the value approved by the Board of Directors of ISE and intimated to SECP. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.

	Note	2023 Rupees	2022 Rupees
8 Deferred tax asset/(liability)			
Tax credits		912,110	996,484
Provision for bad debt		4,123,944	4,124,034
Property and equipment - liability		(112,261)	(424,043)
Tax losses		15,499,466	-
		<u>20,423,258</u>	<u>4,696,475</u>

Deferred tax has been provided at 29% and charged to profit or loss statement.

		2023 Rupees	2022 Rupees
9 Short term investment			
Financial assets at fair value through profit or loss			
Investment in quoted equity securities		132,999,598	131,070,973
		<u>132,999,598</u>	<u>131,070,973</u>

		2023 Rupees	2022 Rupees
10 Trade receivables			
Trade debts		179,230,285	155,929,917
Less: Provision for bad debts	10.1	(14,220,495)	(14,220,808)
		<u>165,009,790</u>	<u>141,709,108</u>

		2023 Rupees	2022 Rupees
10.1 Movement in provision for bad debts			
Balance at beginning of the year		14,220,808	11,460,234
Charged during the year		(313)	2,760,574
Balance at end of year		<u>14,220,495</u>	<u>14,220,808</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
11 Advances			
Advances - unsecured & considered good			
To staff against salary		6,339,152	4,793,161
Advance for purchase of building		29,440,000	46,902,768
		<u>35,779,152</u>	<u>51,695,929</u>
12 Deposits and other receivables			
Deposits			
Withholding income taxes	12.1	2,856,371	2,862,108
Security deposit		460,000	310,000
Margin deposit - Pakistan Stock Exchange Limited		6,306,360	11,865,150
Security deposit - Central Depository Company of Pakistan		75,000	75,000
Security deposit - Pakistan Mercantile Exchange		750,000	750,000
Clearing Deposit with PMEX		1,606,916	1,612,462
		12,054,647	17,474,720
Other receivables			
Due from National Clearing Company of Pakistan Limited		2,287,088	339,800
Other Advances		-	1,481,132
Other receivable		241,785	299,847
		2,528,872	2,120,779
		<u>14,583,519</u>	<u>19,595,499</u>
12.1 Withholding income taxes			
Opening withholding tax		2,862,108	30,490,756
Adjusted during the year		(1,487,109)	(29,115,756)
(Paid)/ withheld during the year		1,481,371	1,487,109
		<u>2,856,371</u>	<u>2,862,108</u>
13 Cash and bank balances			
Cash in hand		2,808,353	2,499,299
Cash at bank - current accounts		100,633,613	163,749,646
		<u>103,441,967</u>	<u>166,248,946</u>
14 Share capital and reserves			
Authorized:			
1,100,000 ordinary shares of Rs. 100/= each		110,000,000	110,000,000
Issued, subscribed and paid up:			
1,100,000 (2022: 550,000) ordinary shares of Rs. 100/= each in cash		110,000,000	110,000,000
		<u>110,000,000</u>	<u>110,000,000</u>
15 Accrued and other liabilities			
Trade payables		96,848,880	135,822,432
Other Liabilities		1,088,116	3,036,442
Sales tax / FED payable		403,675	356,283
Commission payable		2,804,234	6,525,996
Audit fee payable		300,000	287,500
CGT payable		-	66,124
Unclaimed dividend		7,654,486	7,893,755
Withholding tax payable		230,314	525,058
		<u>109,329,705</u>	<u>154,513,589</u>

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ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
16 Accrued interest			
MCB Bank Limited		4,123,127	1,007,348
JS bank		7,111,904	2,677,038
		<u>11,235,031</u>	<u>3,684,386</u>
17 Short term bank borrowings			
Muslim Commercial Bank Limited	17.1	53,721,738	74,998,399
JS bank Limited	17.2	84,545,494	81,685,256
		<u>138,267,232</u>	<u>156,683,654</u>

- 17.1 The facility with MCB Bank Limited is available to the tune of Rs. 10 million (2022 : 10 million) against Shares running finance-1(RF-I)
RF - I
TPMR (3 Months Kibor + 2.75% p.a.)
SMR (TPMR + 5%) (whichever is higher)

These facilities are secured by way of:

Running Finance - I

- Personal guarantees of all the directors covering the entire exposure;
- Pledge of activity traded shares in marketable lots (trading at not less than par value) of eligible listed companies registered with CDC as per MCB's eligible list for financing against shares.

The facility with MCB Bank Limited is available to the tune of Rs. 75 million (2022 : 75 million) against the running finance RF - II
TPMR (3 Months Kibor + 2.75% p.a.)
SMR (TPMR + 5%) (whichever is higher)

These facilities are secured by way of:

Running Finance - I

- Personal guarantees of all the directors covering the entire exposure;
- Collateral: Registered mortgage of Rs 0.1 million and rest through equitable mortgage of residential property plot no.07 & 09, Street 13, Sector C, DHA phase 1, Islamabad 1533.02 sq. yard as per site. Although entire area is mortgaged but 1000 sq. yards will be considered for collateral coverage.

- 17.2 Following Facilities is available from JS Bank:

The Running facility (RF-I) is available to the tune of Rs. 100 million (2022 : 100 million) against JS bank RF at the markup of:

SMR(3 months Kibor + 550 bps)
TMPR (3 month Kibor + 250 bps)

These facilities are secured by way of:

- Pledge of shares with minimum 35% margin on shares to be governed by the JSBL list duly approved by BRMC of JSBL. The shares will be pledged and held under CDC subaccount with JSBL.
- Personal guarantees of the directors along with PNWS.

The Running facility (RF-II) is available to the tune of Rs. 100 million (2022 : 100 million) as per approved margin against JS bank RF at the markup of:

SMR(3 months Kibor + 575 bps)
TMPR (3 month Kibor + 275 bps)

These facilities are secured by way of:

- TRM of Rs 100,000/ & remaining through EM over commercial property located at Office no.803 ,8th floor ,Plot No.55-B known as Islamabad stock exchange tower(ISE),Jinnah Avenue, Blue Area, Islamabad
- Personal guarantees of the directors along with PNWS.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
18 Provision for Taxation			
Opening provision		3,377,702	25,446,204
Tax expense during the year		1,019,016	3,322,054
Adjusted against advance tax/paid		(2,998,124)	(25,390,556)
Closing provision		<u>1,398,594</u>	<u>3,377,702</u>
19 Contingencies and commitments			
Contingencies:			
There are no contingencies as at year end.			
Commitments:			
Currently there are no commitments against the company in foreseeable future.			
	Note	2023 Rupees	2022 Rupees
20 Revenue			
Securities brokerage		59,620,112	103,196,160
Dividend		4,101,483	1,844,886
IPO commission		200	560,951
Commodity brokerage		4,745,018	8,770,423
Profit on Margin Deposit		2,264,088	2,250,424
		<u>70,730,901</u>	<u>116,622,843</u>
22 Un realized gain on remeasurment of investments at fair value-through profit or loss			
Quoted Securities		8,963,288	(293,249,715)
Unquoted Securities		5,401,593	9,892,806
		<u>14,364,880</u>	<u>(283,356,909)</u>
22.1 Quoted Securities			
Market value of investment in shares(Quoted Securities)		132,999,598	131,070,973
Less: Cost of investment		(124,036,310)	(424,320,688)
		<u>8,963,288</u>	<u>(293,249,715)</u>
22.2 Un quoted Securities			
Market value of investment in shares		62,391,438	52,984,168
Less: Cost of investment		(56,989,845)	(43,091,363)
		<u>5,401,593</u>	<u>9,892,806</u>
23 Direct Expenses			
Staff salaries and benefits		30,337,071	37,866,126
Commission		22,430,958	22,504,894
Directors' remuneration		4,039,063	3,623,656
Investor protection fund		10,287	95,235
Central Depository Company expense		2,794,294	3,684,695
ISEL/LSEL/NCCPL trading fee		2,303,178	2,878,855
Depreciation		4,105,827	3,407,255
Utilities - Internet		910,904	567,149
Utilities - Telephone		1,092,605	1,054,342
		<u>68,024,187</u>	<u>75,682,206</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
24 Operating expenses			
Utilities - Other		3,709,444	3,897,972
Rents, Rates & Taxes		6,030,822	7,201,960
Entertainment		2,255,239	2,747,016
Fee and subscription		2,382,949	1,068,317
Miscellaneous		1,143,369	649,188
Printing and stationary		295,111	431,951
Postage and telegram		144,133	182,776
Travelling & Conveyance		450,140	444,711
Office repair and maintenance		315,577	294,028
Audit fee		300,000	287,500
Software expenses		289,472	1,268,985
Newspapers and periodicals		65,331	60,171
Legal and professional charges		34,000	124,000
Vehicle running and maintenance		2,236,930	1,442,080
Welfare Committee		98,500	90,000
Advertisement		1,178,664	2,222,955
Insurance		272,396	407,717
Provision for bad debts		(313)	2,760,574
		<u>21,201,764</u>	<u>25,581,901</u>
25 Financial charges			
Markup on running finance facility		37,969,650	10,663,248
Bank charges		237,879	240,095
		<u>38,207,529</u>	<u>10,903,343</u>
26 Other income			
Markup on delayed car delivery		-	19,355
Rental Income		210,000	-
Profit on debt		1,381,350	-
Gain on disposal of fixed assets		354,154	-
		<u>1,945,505</u>	<u>19,355</u>
27 Taxation			
Current tax		1,398,594	3,377,702
Prior year		(379,578)	(55,648)
Deferred		(15,726,783)	(2,135,129)
		<u>(14,707,767)</u>	<u>1,186,925</u>

27.1 The dividend income and capital gain falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

27.2 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of minimum, final and fixed taxation.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

28 Financial instruments and related disclosures

28.1 Financial assets as per statement of financial position

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	2023	2022	2023	2022
Long term deposits	1,420,000	1,420,000	-	-
Short term investment			132,999,598	131,070,973
Long term investments			62,391,438	56,989,845
Trade debts	165,009,790	141,709,108	-	-
Deposits, prepayments and other receivables	11,727,149	14,612,612	-	-
Cash and bank balances	103,441,967	262,658,662	-	-
Loans and advances	6,339,152	4,793,161	-	-
	287,938,058	591,850,186	195,391,036	482,067,732

28.2 Financial liabilities as per statement of financial position

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	2023	2022	2023	2022
Trade payables	96,848,880	241,989,899	-	-
Short term bank borrowings	138,267,232	161,462,297	-	-
Accrued and other liabilities	23,715,856	139,767,068	-	-
Provision for taxation	1,398,594	25,446,204	-	-
	260,230,562	568,665,468	-	-

29 Capital Adequacy Level

	Note	2023 Rupees	2022 Rupees
Total Assets		560,385,579	1,127,756,863
Less: Total Liabilities		(260,230,562)	(575,288,035)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		300,155,017	552,468,828

Note:-

While determining the Value of total assets of the TREC Holder, Notional Value of the TRE Certificate held by the Zahid Latif Khan Securities (Pvt.) Ltd as determined by Pakistan Stock Exchange has been considered.

30 Information required by regulation 34 of Securities Broker Regulations

	2023 Rupees	2022 Rupees
a) Customer shares in the central depository system	194,765,699	166,179,280
Customer's cash in bank account - PKR	92,165,645	137,006,280
b) Securities pledged with financial institutions-customer	1,291,600	5,210,931
Securities pledged with financial institutions-house	5,650,181	6,033,816
c) Income from dividends	4,101,483	1,844,886
d) Pattern of shares:		
Zahid Latif Khan (CEO/Director)	1,099,000	1,099,000
Ajmal Sultan (Director)	500	500
Muhammad Atif Khan (Director)	500	500
Total no of shares	1,100,000	1,100,000
e) Changes in shareholding : Shares Issued to Zahid Latif Khan	-	550,000

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ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

- f) Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.
- g) Aging analysis of amount due from customers
- | | | |
|--------------------------------|-------------|-------------|
| Due not more than 5 days - PKR | 5,301,327 | 11,564,116 |
| Due more than 5 days - PKR | 173,928,958 | 144,365,801 |

31 Remuneration of Chief Executive Officer and Director

	2023			2022		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees					
Managerial remuneration	-	4,039,063	4,609,593	-	3,623,656	14347388
Bonus	-	257,812	-	-	449,000	-
Commission	22,430,958	-	-	22,504,894	-	-
	22,430,958	4,296,875	4,609,593	84,510,517	3,263,609	14,347,388
Number of person	1	2	3	1	2	8

32 Number of employees

	2023	2022
At year end	49	45
Average	42	46

33 Liquid capital balance

	2023 Rupees	2022 Rupees
Liquid capital balance-as per Annexure A	29,366,031	26,159,149

34 Related party transactions and relationships

The related party comprise of members, and senior management. There were no related party transactions during the year (2022: Nil) except as mentioned in relevant notes.

35 Date of authorization for issue

These financial statements were authorized for issue on 30, OCTOBER, 2023 by the Board of Directors of the

36 General

Figures have been rounded off to the nearest rupee


 CHIEF EXECUTIVE


 DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

33 Liquid capital balance

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	21,836,857	100	
1.2	Intangible Assets	2,500,000	100	
1.3	Investment in Govt. Securities (150,000*99)			
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 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 up to 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. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	132,999,598	22,276,220	110,723,378
	ii. If unlisted, 100% of carrying value.	62,391,438	100	
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.		100	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,420,000	100	
1.9	Margin deposits with exchange and clearing house.	7,913,276		7,913,276
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	30,964,050	100	
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100	
1.13	Dividends receivables.			
	Amounts receivable against Repo financing.			
1.14	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	4,343,404		4,343,404
	ii. Advance tax to the extent it is netted with provision of taxation.	2,856,371		2,856,371
	iii. Receivables other than trade receivables	1,995,748	100	
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.	2,287,088		2,287,088
	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>i. Lower of net balance sheet value or value determined through adjustments.</i>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>			

1.17	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	5,301,327		5,301,327
	v. Incase 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	173,928,958	107,994,952	65,934,006
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but up to 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments		100	
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	8,467,969		8,467,969
	ii. Bank balance-customer accounts	92,165,645		92,165,645
	iii. Cash in hand	2,808,353		2,808,353
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.			
1.20	Total Assets	554,180,082		302,800,817
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-		-
	ii. Payable against leveraged market products			
	iii. Payable to customers	96,848,880		96,848,880
2.2	Current Liabilities			
	i. Statutory and regulatory dues	933,988		933,988
	ii. Accruals and other payables	22,781,867		22,781,867
	iii. Short-term borrowings	138,267,232		138,267,232
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities	-		-
	vii. Provision for taxation	1,398,594		1,398,594
	viii. Other liabilities as per accounting principles and included in the financial statements			
2.3	Non-Current Liabilities			
	i. Long-Term financing			
	ii. Staff retirement benefits		100	
	iii. Other liabilities as per accounting principles and included in the financial statements		100	
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases		100	
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:			
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	Total Liabilities	260,230,561		260,230,561
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. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities			

	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
	Net underwriting Commitments			
3.3	(a) in the case of right issues : If the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments			
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		8,531,321	8,531,321
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	6,331,179	1,658,275	4,672,904
3.10	Short sell positions i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	Total Ranking Liabilities	9,565,461	13,423,878	13,204,225
		284,384,060		29,366,031