



## INDEPENDENT AUDITOR'S REPORT

To the members of SAZ CAPITAL SECURITIES (PRIVATE) LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

#### Responsibilities of Management and Board of Directors for the Financial Statements

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

operation, or has no realistic alternative but to do so. Boards of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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

*UHY Hassan Naeem & Co*

KARACHI

DATE: 5<sup>TH</sup> October, 2020

**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2020**

	<i>Note</i>	2020 (Rupees)	2019 (Rupees)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	15,208,473	14,066,083
Intangible assets	5	2,750,000	2,750,000
Long term Investment	6	19,957,621	23,055,522
Long term deposits	7	1,876,500	1,876,500
Deffered Tax Asset	8	2,863,279	-
		<b>42,655,872</b>	<b>41,748,105</b>
<b>CURRENT ASSETS</b>			
Investment at fair value through profit and loss	9	11,145,414	18,448,867
Tax refundable		5,575,700	5,575,700
Trade debts	10	508,585	638,324
Advances, deposits, prepayments and other receivables	11	14,815,252	16,754,632
Cash and bank balances	12	213,077,400	178,534,471
		<b>245,122,351</b>	<b>219,951,994</b>
		<b>287,778,223</b>	<b>261,700,099</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	13	92,500,000	92,500,000
Unappropriated profit/(loss)		98,787,475	92,312,315
Surplus/(Deficit) - Investment at fair value through other comprehensive income		145,680	3,243,582
		<b>191,433,156</b>	<b>188,055,896</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payable	14	96,345,067	73,644,203
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15	-	-
		<b>287,778,223</b>	<b>261,700,099</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<i>Note</i>	2020 (Rupees)	2019 (Rupees)
Revenue from Contract with Customers	16	9,756,747	6,899,173
Operating and administrative expenses	17	(22,789,121)	(23,207,503)
Loss allowance	10.2	-	(79,291)
Other income	18	17,825,549	13,947,128
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		<u>4,793,175</u>	<u>(2,440,493)</u>
Taxation	19	1,681,985	(86,240)
<b>NET PROFIT/(LOSS) AFTER TAXATION</b>		<u><u>6,475,160</u></u>	<u><u>(2,526,733)</u></u>

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


  
 \_\_\_\_\_  
**CHIEF EXECUTIVE**

  
 \_\_\_\_\_  
**DIRECTOR**

**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/(Deficit) - Investment at fair value through other comprehensive income	Total
	-----Rupees-----			
Balance as at June 30, 2018	92,500,000	94,839,048	10,541,642	197,880,690
Profit/(Loss) for the year ended June 30, 2019		(2,526,733)	-	(2,526,733)
Surplus/(Deficit) on investment available for sale	-	-	(7,298,060)	(7,298,060)
<b>Balance as at June 30, 2019</b>	<b>92,500,000</b>	<b>92,312,315</b>	<b>3,243,582</b>	<b>188,055,896</b>
Profit/(Loss) for the year ended June 30, 2020		6,475,160	-	6,475,160
Surplus/(Deficit) - Investment at fair value through other comprehensive income	-	-	(3,097,901)	(3,097,901)
<b>Balance as at June 30, 2020</b>	<b>92,500,000</b>	<b>98,787,475</b>	<b>145,680</b>	<b>191,433,155</b>

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

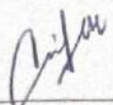
  
 \_\_\_\_\_  
**CHIEF EXECUTIVE**

  
 \_\_\_\_\_  
**DIRECTOR**

**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
	(Rupees)	(Rupees)
Profit/(loss) for the period	6,475,160	(2,526,733)
Unrealised gain/(loss) on revaluation of investments at fair value through other comprehensive income	(3,097,901)	(7,298,060)
<b>Total Comprehensive Income</b>	<u><u>3,377,258</u></u>	<u><u>(9,824,793)</u></u>

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

  
\_\_\_\_\_  
**CHIEF EXECUTIVE**

  
\_\_\_\_\_  
**DIRECTOR**

**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 (Rupees)	2019 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		4,793,175	(2,440,493)
<b>Adjustment for non-cash items:</b>			
Depreciation		1,347,610	1,075,968
Capital Loss - on investment at fair value through P&L		2,155,609	5,786,784
Operating profit before working capital changes		3,503,220	6,862,752
<b>Changes in working capital</b>			
(Increase)/Decrease in trade debts		129,739	(476,024)
(Increase)/Decrease in advances, deposits and prepayments		3,313,649	4,166,869
(Increase)/Decrease in long term deposits		-	1,990,000
Increase/(Decrease) in trade and other payable		22,700,865	5,409,718
<b>Net changes in working capital</b>		26,144,253	11,090,562
Taxes paid		(2,555,563)	(3,821,410)
<b>Net cash generated from operating activities</b>		31,885,084	11,691,411
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(2,490,000)	(3,050,000)
Short term investment		5,147,846	(2,896,910)
<b>Net cash generated from investing activities</b>		2,657,846	(5,946,910)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash generated from financing activities</b>		-	-
Net increase in cash and cash equivalent		34,542,929	5,744,500
Cash and cash equivalent at beginning of the year		178,534,471	172,789,971
Cash and cash equivalent at end of the year		213,077,400	178,534,471

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

  
 CHIEF EXECUTIVE

  
 DIRECTOR



**SAZ CAPITAL SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**1 Legal Status and Nature of Business**

Saz Capital Securities (Private) limited was incorporated under the Companies Ordinance, 1984 on June 20, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at room no 608, 6<sup>th</sup> floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company are investment and share brokerage.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

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

**2.2 Basis of Measurement**

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

**2.3 Functional and Presentation Currency**

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

**2.4 Critical Accounting Estimates and Judgments**

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

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

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

## 2.5 New Accounting pronouncements

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

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

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

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

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

## 3 Summary of Significant Accounting Policies

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

### 3.1 Taxation

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

#### 3.1.1 Current

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

### **3.1.2 Deferred Tax**

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

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

### **3.2 Property and Equipment**

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

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

### **3.3 Intangible Assets**

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

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

### **3.4 Non-Financial Assets**

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

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

### 3.5 Financial Instruments

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

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

#### a) Financial assets at amortized cost:

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

#### b) Financial assets at FVOCI:

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

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

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

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

#### c) Financial assets at FVTPL:

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

Such financial asset is initially measure at fair value.

### 3.5.2 Initial recognition:

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

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

### 3.5.3 Subsequent measurement:

#### a) Financial asset measured at amortized cost

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

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

#### b) Financial asset at FVOCI

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

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

#### c) Financial asset at FVPL

These assets are subsequently measured at fair value.

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

### 3.5.4 Impairment:

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

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

### 3.6 offsetting of financial assets and financial liabilities:

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

### **3.7 Trade Debts:**

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

### **3.8 Trade and Other Payables**

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

### **3.9 Provisions**

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

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

### **3.10 Revenue Recognition**


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

### **3.11 Cash and Cash Equivalents**

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

### **3.12 Related Party Transactions**

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



#### 4 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V.
	As at July 1, 2019	Additions / (Deletions)	As at June 30, 2020		As at July 1, 2019	For the year	As at June 30, 2020	As at June 30, 2020
Office Building	15,750,000	-	15,750,000	5%	4,385,549	568,223	4,953,772	10,796,228
Furniture & Fixtures	600,000	-	600,000	15%	549,152	7,627	556,779	43,221
Office Equipment	33,000	-	33,000	15%	29,164	575	29,739	3,261
Computers	1,494,332	-	1,494,332	30%	1,490,045	1,286	1,491,331	3,001
Motor Vehicle	6,311,000	2,490,000	8,801,000	15%	3,668,339	769,899	4,438,238	4,362,762
<b>June 30, 2020 (Rupees)</b>	<b>24,188,332</b>	<b>2,490,000</b>	<b>26,678,332</b>		<b>10,122,249</b>	<b>1,347,610</b>	<b>11,469,859</b>	<b>15,208,473</b>
<b>June 30, 2019 (Rupees)</b>	<b>21,138,332</b>	<b>3,050,000</b>	<b>24,188,332</b>		<b>9,046,280</b>	<b>1,075,968</b>	<b>10,122,249</b>	<b>14,066,083</b>
						2020		2019
								(Rupees)

#### 5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate PSX	5.1	2,500,000	2,500,000
Membership Cards Rights - PMEX		250,000	250,000
		2,750,000	2,750,000

5.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed.

#### 6. LONG TERM INVESTMENT

Investment at fair value through other comprehensive income	6.1 & 6.2	19,957,621	23,055,522
---	-----------	------------	------------

##### Investment in Listed Securities:

Investment in shares of Pakistan Stock Exchange	6.1	10,703,821	14,055,522
---	-----	------------	------------

6.1 This represents 1,081,194 (2019: 1,081,194) shares of Pakistan Stock Exchange which are pledge with PSX against Base Minimum Capital.

#### 6.2 Investment in Unlisted Securities

<b>Fair value</b>			
Investment in unlisted securities	6.2.1	9,253,800	9,000,000

<b>Book value</b>			
Investment in unlisted securities		9,000,000	9,000,000

6.2.1 The company has an investment of Rs. 9.25 million (2019: Rs.9 million) in shares of Platinum Capital Management (Private) Limited (PCMPL). PCMPL is incorporated in Pakistan as private limited company with a paid-up capital of Rs. 150 million as at 30 June 2019. The company owns 180,000 shares of Rs. 100 each (2019: 180,000 shares) representing 12% ownership. Break-up value per share of this investment is Rs.51.41 This break-up value per share is based on audited financial statements of PCMPL for the period ended 30 June 2019.

**7 LONG TERM DEPOSITS**

2020 2019

(Rupees)

Deposits - PSX	210,000	210,000
Deposits - PMEX (Membership)	750,000	750,000
Central Depository Company Of Pakistan	100,000	100,000
National Clearing Company Of Pakistan	200,000	200,000
Mobilink deposits	6,500	6,500
National Commodity Deposit	610,000	610,000
	<u>1,876,500</u>	<u>1,876,500</u>

**8. DEFFERED TAX**

Deffered tax asset	8.1	<u>2,863,279</u>	<u>-</u>
--------------------	-----	------------------	----------

8.1 Deffered tax asset is recognized on previous year tax losses as the company has sufficient taxable profit.

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

Investment in quoted securities	9.1.	<u>11,145,414</u>	<u>18,448,867</u>
---------------------------------	------	-------------------	-------------------

9.1. Investment in various equity shares carried at market value.

9.2. This includes securities amounting to Rs. 4,669,225 pledge with PSX against Base Minimum Capital.

**10. TRADE DEBTS**

Trade debts	10.1	508,585	717,616
less: Loss allowance	10.2	-	(79,291)
		<u>508,585</u>	<u>638,324</u>

**10.1 Aging Analysis**

Less than one year	508,585
more than one year	-
	<u>508,585</u>

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

**11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Advance tax	13,311,887	11,937,618
Other Receivables	-	84,204
Exposure Deposit	503,365	3,732,810
Future Deposit-NCCPL	1,000,000	1,000,000
	<u>14,815,252</u>	<u>16,754,632</u>



## 12. CASH AND BANK BALANCES

Cash at bank - In current accounts

' - In pls and deposit accounts

-	50,079,704
213,077,400	128,454,767
<u>213,077,400</u>	<u>178,534,471</u>

12.1 This includes cash and bank balances pertaining to client amounting to Rs. 95,793,388.

## 13 SHARE CAPITAL

### AUTHORIZED SHARE CAPITAL

2020 Number of Shares	2019 Number of Shares	ordinary shares of Rs. 10 each	2020 (Rupees)	2019 (Rupees)
<u>15,000,000</u>	<u>15,000,000</u>		<u>150,000,000</u>	<u>150,000,000</u>

### ISSUED SUBSCRIBED AND PAID-UP

2020	2019	ordinary shares of Rs. 100 each fully paid in cash	2020	2019
<u>925,000</u>	<u>925,000</u>		<u>92,500,000</u>	<u>92,500,000</u>

### PATTERN OF SHAREHOLDING

	No of shares	%
i Muhammad Asif	386,247	41.7564%
ii Muhammad Rizwan	1	0.0001%
iii Abdul Hafiz	1	0.0001%
iv Adnan	1	0.0001%
v Muhammad Shafiq	1	0.0001%
vi Muhammad Ashraf	138,749	14.9999%
vii Ana Abdul Samad	400,000	43.2432%
	<u>925,000</u>	

#### Changes in shareholding 5% above

Durring the year shareholding of Aslam Motiwala has been transferred to Ana Abdul Samad.

## 14 TRADE AND OTHER PAYABLE

Credit balances of clients

Other liabilities

Client future profit withheld

Auditors remuneration

14.1	95,772,316	72,562,120
	572,751	23,003
	-	534,080
	-	525,000
	<u>96,345,067</u>	<u>73,644,203</u>

14.1 Credit balances of clients held by the company

14.2 No Securities of clients is pledged with Financial Institution.

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

<u>95,772,316</u>	<u>72,562,120</u>
-------------------	-------------------

2020  
2019  
(Rupees)

## 15 CONTINGENCIES AND COMMITMENTS

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

16. REVENUE FROM CONTRACT WITH CUSTOMERS		2020	2019
		(Rupees)	
Brokerage Income	16.1	9,756,747	6,899,173
16.1 Brokerage commission		9,756,747	6,824,116
Commission on IPO		-	203
Return on cash margin on future contract		-	74,854
		<u>9,756,747</u>	<u>6,899,173</u>

#### 17. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and allowances	17.1	18,649,179	19,880,437
PSX rent, electricity and service charges		637,116	426,136
Fees and subscription		612,245	130,000
Legal and professional		141,323	254,450
Communication Expenses		409,767	341,078
Auditors remuneration	17.2	219,880	200,000
Transaction Charges		613,331	742,095
Repair and maintenance		140,775	146,796
Depreciation	4	1,347,610	1,075,968
Bank Charges		3,140	-
Others		14,755	10,543
		<u>22,789,121</u>	<u>23,207,503</u>

17.1 This Includes Director Remuneration amounting to Rs 5,400,000.

#### 17.2 AUDITORS REMUNERATION

Annual Audit fee	219,880	200,000
	<u>219,880</u>	<u>200,000</u>

#### 18. OTHER INCOME

Gain/(loss) on investment at fair value through P&L	(2,155,609)	(5,786,784)
Profit on bank deposit	19,914,279	19,731,810
Other	66,879	2,102
	<u>17,825,549</u>	<u>13,947,128</u>

#### 19. TAXATION

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

Provision for taxation		
- Current year	1,181,294	4,106,281
- Prior year	(2,863,279)	-
- Deferred	(1,681,985)	4,106,281
Net tax expense		

19.1. Relationship between tax expense and accounting profit	2020 (Rupees)	2019 (Rupees)
Profit/(loss) before taxation	4,793,175	(2,440,493)
Tax at the applicable rate 29% (2019:29%)	1,390,021	(707,743)
Tax effect of income taxed under FTR	625,127	1,678,167
Other adjustments	(3,697,134)	3,135,857
	<u>(1,681,987)</u>	<u>4,106,281</u>

20. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

20.1 Financial instrument by category

20.1.1 Financial assets

	2020			
	At fair value through profit or loss account	At fair value through OCI	At amortized cost	Total
Long term loan, advances and deposits	-	-	1,876,500	1,876,500
Investment at fair value through OCI	-	19,957,621	-	19,957,621
Investment at fair value through P&L	11,145,414	-	-	11,145,414
Trade debts	-	-	508,585	508,585
Advances, deposits and prepayments	-	-	1,503,365	1,503,365
Bank balances	-	-	213,077,400	213,077,400
	<u>11,145,414</u>	<u>19,957,621</u>	<u>216,965,850</u>	<u>248,068,885</u>

	2019			
	At fair value through profit or loss held for trading	At fair value through OCI	At amortized cost	Total
Long term loan, advances and deposits	-	-	1,876,500	1,876,500
Investment at fair value through OCI	-	23,055,522	-	23,055,522
Investment at fair value through P&L	18,448,867	-	-	18,448,867
Trade debts	-	-	717,616	717,616
Advances, deposits and prepayments	-	-	4,817,014	4,817,014
Bank balances	-	-	178,534,471	178,534,471
	<u>18,448,867</u>	<u>23,055,522</u>	<u>185,945,600</u>	<u>227,449,989</u>

20.1.2 Financial Liabilities at amortized cost

	2020	
	Amount	Total
Trade and other Payables	96,345,067	96,345,067
	<u>96,345,067</u>	<u>96,345,067</u>

	2015	
	Amount	Total
Trade and other Payables	73,644,203	73,644,203
	73,644,203	73,644,203

## 20.2 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

### 20.2.1 Credit risk

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

#### Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

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

	2020	2019
	<i>Rupees</i>	
Long term deposits	1,876,500	1,876,500
Investment at fair value through other comprehensive income	19,957,621	23,055,522
Investment at fair value through profit and loss	11,145,414	18,448,867
Advances, deposits, prepayments and other receivable	1,503,365	4,817,014
Trade debts	508,585	638,324
Bank Balances	213,077,400	178,534,471
	<u>248,068,885</u>	<u>227,370,698</u>

#### 20.2.1.1 Bank Balances

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

	2020	2019
	<i>Rupees</i>	
AAA	16,072	-
AA+	213,061,328	49,149
A	-	16,072
AA	-	178,469,250
	<u>213,061,328</u>	<u>178,534,471</u>

The credit rating agency are PACRA and JCR-VIS.

### 20.2.2 Liquidity risk

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

	2020				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
<b>Financial Liabilities</b>					
Trade and other payables	96,345,067	96,345,067	96,345,067	-	-
	<u>96,345,067</u>	<u>96,345,067</u>	<u>96,345,067</u>		
	2019				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
<b>Financial Liabilities</b>					
Trade and other payables	73,644,203	73,644,203	73,644,203	-	-
	<u>73,644,203</u>	<u>73,644,203</u>	<u>73,644,203</u>		

On the balance sheet date, the company has cash and bank balances of Rs.213 million (2019: 178 million) for repayment of liabilities

### 20.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

### Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

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

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2020	1,114,541	(1,114,541)
as at 30th June 2019	1,844,887	(1,844,887)

### 20.3 Fair value of Financial instruments

Fair value is an amount for which an asset is could be exchanged or a liability is settled between knowledgeable willing parties in arm's length transaction. The table below analysis financial instruments carried at fair value , by valuation method. The different levels ( methods) have been defined as follows:

- Level 1: Fair value measurements using quoted prices ( unadjusted) in active markets for identical assets or liabilities
- Level 2: Fair value measurements using inputs other than quoted market price included within Level 1 that are observable for the asset or liability , either directly (i.e as prices) or indirectly (i.e derived from parties).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e unobservable inputs).

The company at year end hold listed assets amounting to Rs 22.84 million (2019: 35 million) that are recorded at quoted price.

### 20.4 Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

### 21 CAPITAL ADEQUACY LEVEL

Total Assets	287,778,223	261,700,099
Less: Total Liabilities	(96,345,067)	(73,644,203)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	191,433,156	188,055,896

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

## 22 NET CAPITAL BALANCE AND LIQUID CAPITAL BALANCE

### 22.1 Net Capital Balance As At 30th June 2020

DESCRIPTION		VALUATION BASIS	VALUE
<b><u>CURRENT ASSETS</u></b>			
Cash in hand	As per book value		-
Cash at bank	Bank balances pertaining to house	117,284,012	213,077,400
	Bank balances pertaining to client	95,793,388	
	Deposits against exposure and losses		1,500,000
	As per book value		
Trade Receivable	Book Value	508,584	408,361
	Less: overdue for more than 14 days	(100,223)	
Investment in Listed Securities in the name of broker	Market value	451,500	383,775
	Less: 15% discount	(67,725)	
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		46,379
			215,415,915
<b><u>CURRENT LIABILITIES</u></b>			
Trade Payable	Book value	95,772,316	19,961,307
	Less: Overdue for more than 30 days	(75,811,009)	
Other liabilities	Overdue for more than 30 days	75,811,009	76,390,840
	As classified under the generally accepted accounting principles.	579,831	
<b>Net Capital Balance As At 30th June 2020</b>			<b>119,063,768</b>

## 22.2 Liquid Capital Balance

S.No.	Head of Account	Value in Pak Rupee	Hair Cut/ Adjustments	Net Adjusted Value
1	Assets			
1.1	Property & Equipment			
1.2	Intangible Assets	1,016,083	1,016,083	-
1.3	Investment in Govt. Securities	2,750,000	2,750,000	-
1.4	Investment in Debt Securities			
	If listed than			
	i. 5% of the balance sheet value in the case of tenure upto 1 year			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years			
	If unlisted than			
	i. 10% of the balance sheet value in the case of tenure upto 1 year			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years			
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher	451,500	67,725	383,775
	ii. If unlisted, 100% of carrying value			
	iii. Subscription money against Investment in IPO/offer for Sale. Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.			
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)			
1.6	Investment in subsidiaries			
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	3,376,500	3,376,500	-
1.9	Margin deposits with exchange and clearing house.			
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments			
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing.			
	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months			
	ii. Receivables other than trade receivables			
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.			
	ii. Receivable on entitlements against trading of securities in all markets including MtM gains.			
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			
	i. Lower of net balance sheet value or value determined through adjustments.			
	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			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet	102,425	-	102,425
	iv. Balance sheet value			
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VaR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	508,585	-	508,585
	vi. 100% haircut in the case of amount receivable from related parties.			
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	117,284,012	-	117,284,012
	ii. Bank balance-customer accounts	95,793,388	-	95,793,388
	iii. Cash in hand			
1.19	<b>Total Assets</b>	<b>221,282,493</b>	<b>7,210,308</b>	<b>214,072,185</b>
2	Liabilities			
2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products	95,772,316	-	95,772,316
	iii. Payable to customers			
2.2	Current Liabilities			



	i. Statutory and regulatory dues			
	ii. Accruals and other payables			
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long-term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for bad debts			
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
2.3	Non-Current Liabilities			
	i. Long-Term financing:			
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease			
	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.			
	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 b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	Total Liabilities	95,772,316	-	95,772,316
3	Ranking: Liabilities Relating to :			
3.1	Concentration in Margin Financing			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price, the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the 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			
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			

	a. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	Short sell positions			
	c. Increase 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			
	a. Increase 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 Banking Liabilities			
3.12	Liquid Capital	317,054,809	7,210,308	118,299,869

### 23. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies, directors, key management personnel and close family  
Details of transactions and balances with related parties, other than those which have been specifically

	2020	2019
Remuneration to Directors	5,400,000	7,350,000
	<u>5,400,000</u>	<u>7,350,000</u>

### 24. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

There were no significant impact on assets, liabilities, income and expenses of the company due to covid.  
Nor, it effects the company ability to continue as a going concern.

2020                      2019  
(Number of employees)

### 25. NUMBER OF EMPLOYEES

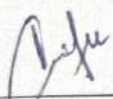
Total number of employees at June 30	<u>17</u>	<u>17</u>
--------------------------------------	-----------	-----------

### 26. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 05 OCT 2020 by the Board of Directors of the company.

### 27. GENERAL

Figures have been rounded off to the nearest Rupee and corresponding figures have been re-arranged, where necessary, for the purpose of comparison.

  
CHIEF EXECUTIVE

  
DIRECTOR

Saz Capital Securities (Private) Limited  
Financial Statements  
For the year ended  
June 30, 2020

