

**ARIF LATIF SECURITIES (PRIVATE)  
LIMITED**

**FINANCIALS HALF YEAR (UN-AUDITED)**

**DECEMBER 31, 2022**

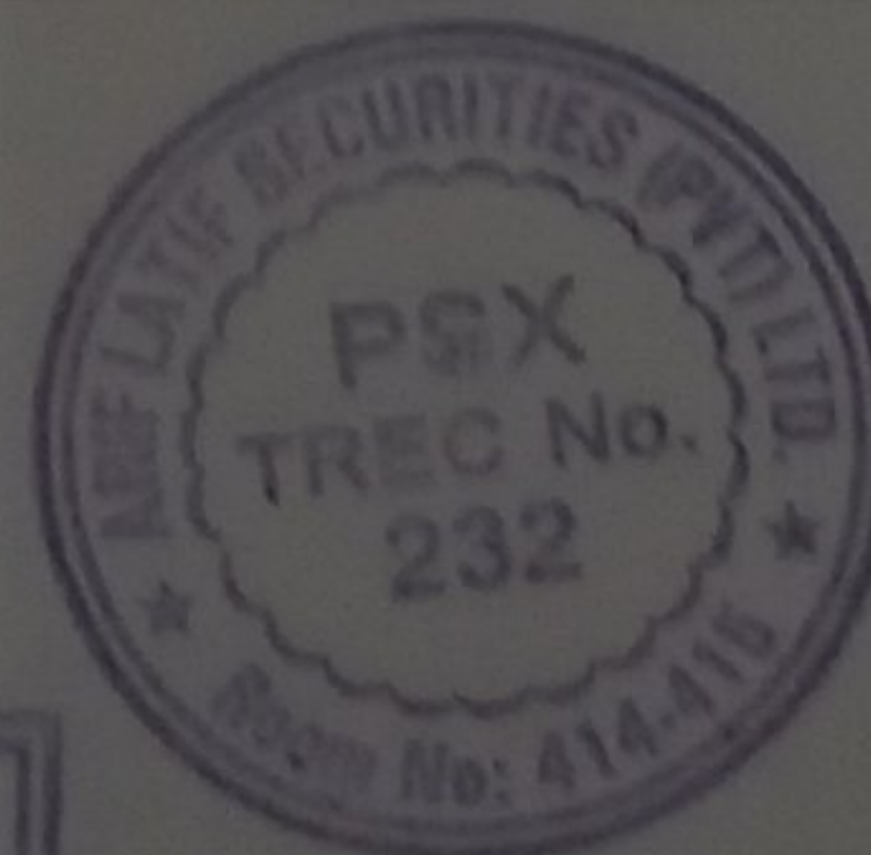
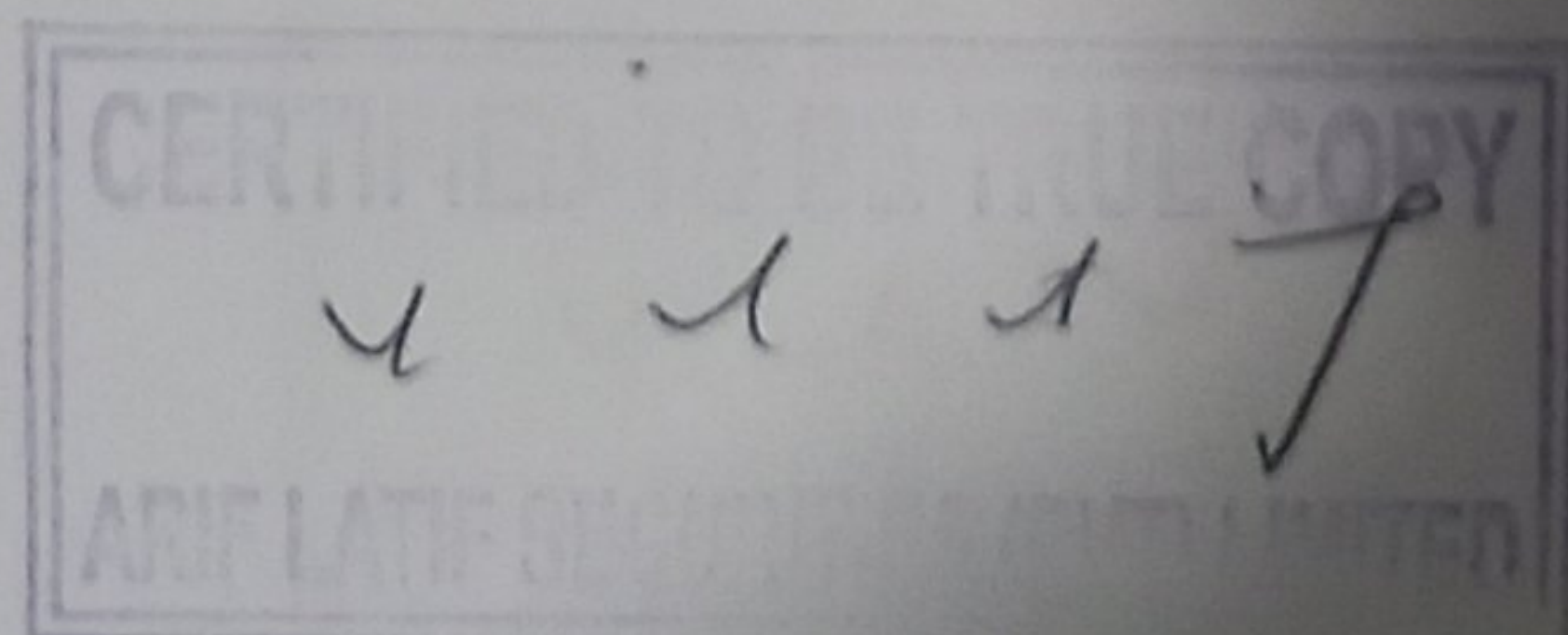
ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
 AS AT DECEMBER 31, 2022

ASSETS	NOTE	December 31, 2022	June 30, 2022
		RUPEES Un-Audited	RUPEES Audited
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	4,195,149	4,078,549
Intangible	5	3,000,000	3,000,000
Long-term investments	6	16,406,874	20,533,912
Long-term deposits and prepayments	7	1,500,000	1,500,000
		25,102,023	29,112,461
<b>CURRENT ASSETS</b>			
Trade debts - considered good	8	6,722,453	6,236,257
Short term deposits	9	9,306,368	8,000,000
Short term investments	10	50,829,487	31,261,260
Taxation-net	16	959,763	997,363
Cash and bank balances	11	43,890,004	56,657,775
		111,708,075	103,152,655
<b>TOTAL ASSETS</b>		<b>136,810,098</b>	<b>132,265,116</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	75,000,000	75,000,000
+ Unappropriated profit	SOCE	17,905,885	15,734,656
		92,905,885	90,734,656
Revaluation reserves	13	16,407,264	20,534,302
		109,313,149	111,268,958
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation	14	473,532	161,307
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	27,023,417	20,834,851
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136,810,098</b>	<b>132,265,116</b>

The annexed notes 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE

*[Handwritten Signature]*



DIRECTOR

*[Handwritten Signature]*

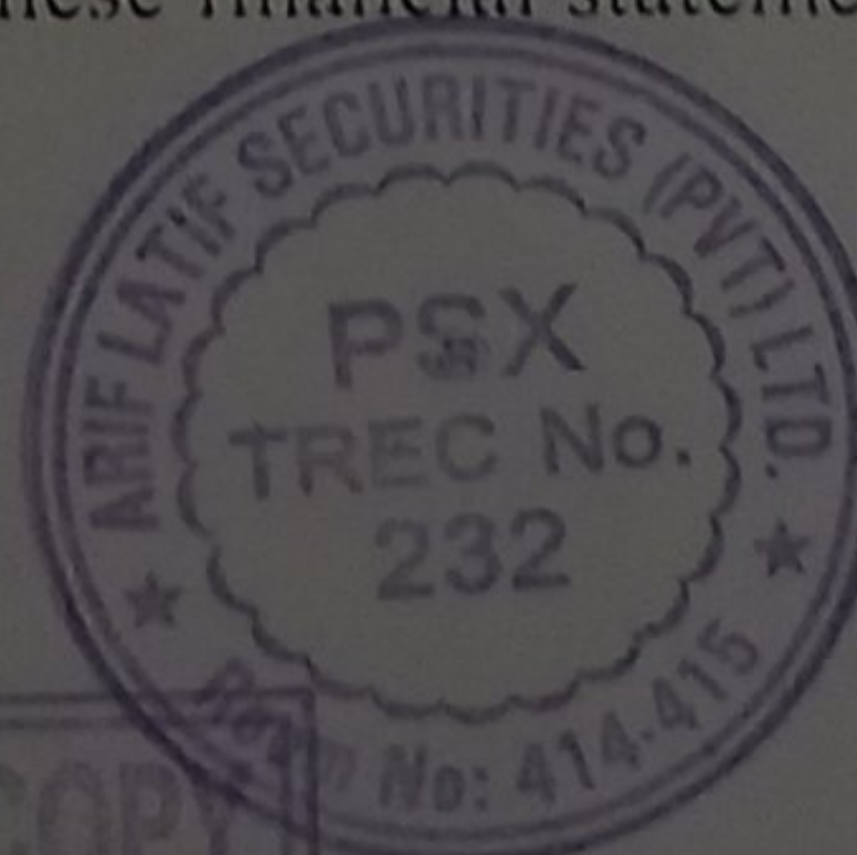
ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
 & OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2022

PARTICULARS	NOTE	December 31, 2022 RUPEES	December 31, 2021 RUPEES
<b>REVENUE</b>			
Dividend income	18	662,588	1,638,727
Brokerage income - net	19	2,070,365	2,385,828
		2,732,953	4,024,555
<b>EXPENSES</b>			
Administrative and general expenses	19	(4,679,277)	(4,053,711)
Operating loss		(1,946,324)	(29,156)
Financial charges	20	(17,469)	(14,531)
Other income	21	5,348,271	2,066,123
Loss on remeasurement of investments		-	(2,270,700)
Profit before taxation		3,384,479	(248,264)
Provision for taxation	22	(1,213,250)	(367,494)
Profit after taxation		2,171,229	(615,758)
<b>+ Other comprehensive income</b>			
Items that may be reclassified to profit and loss account subsequently			
Fair value gain on remeasurement of long term investment	13	(4,127,038)	860,855
Items that may not be reclassified to profit and loss account subsequently			
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(1,955,809)</b>	<b>245,097</b>
Basic earning per share	23	0.29	(0.14)

The annexed notes 1 to 31 form an integral part of these financial statements.

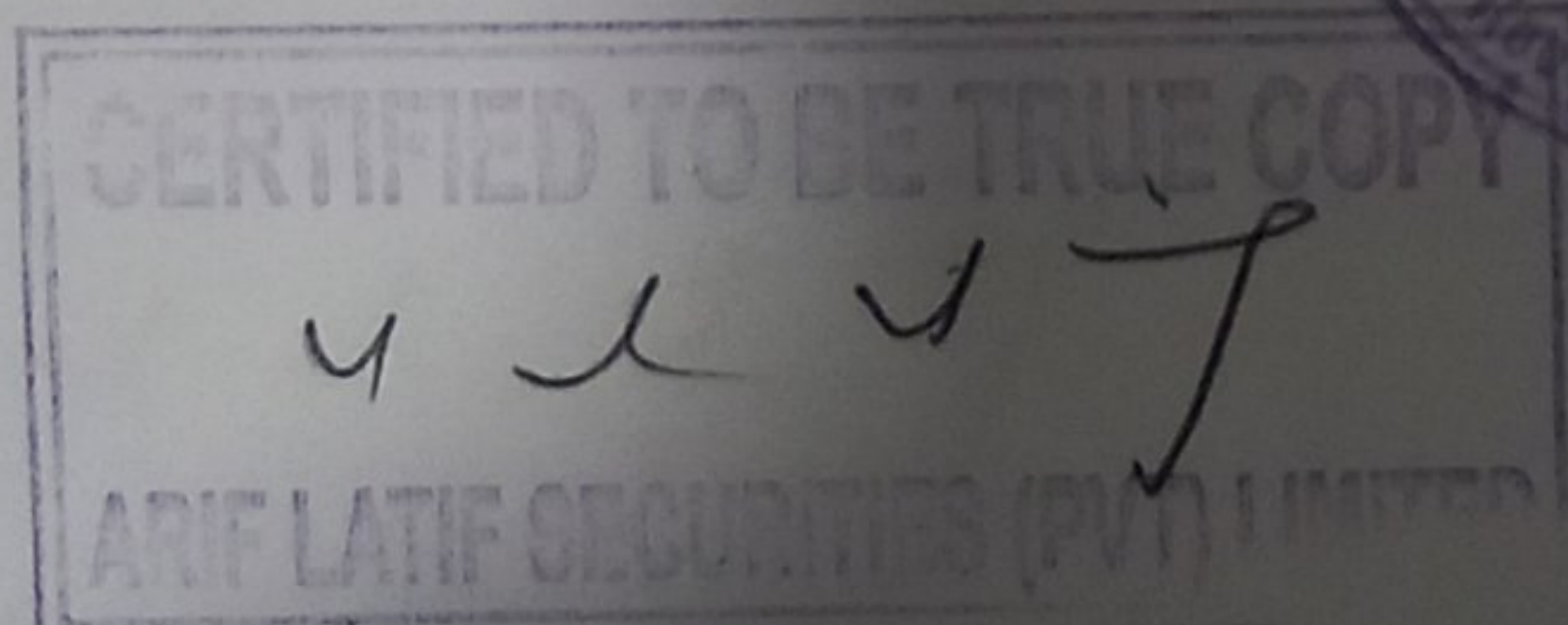
CHIEF EXECUTIVE

*[Handwritten Signature]*



DIRECTOR

*[Handwritten Signature]*



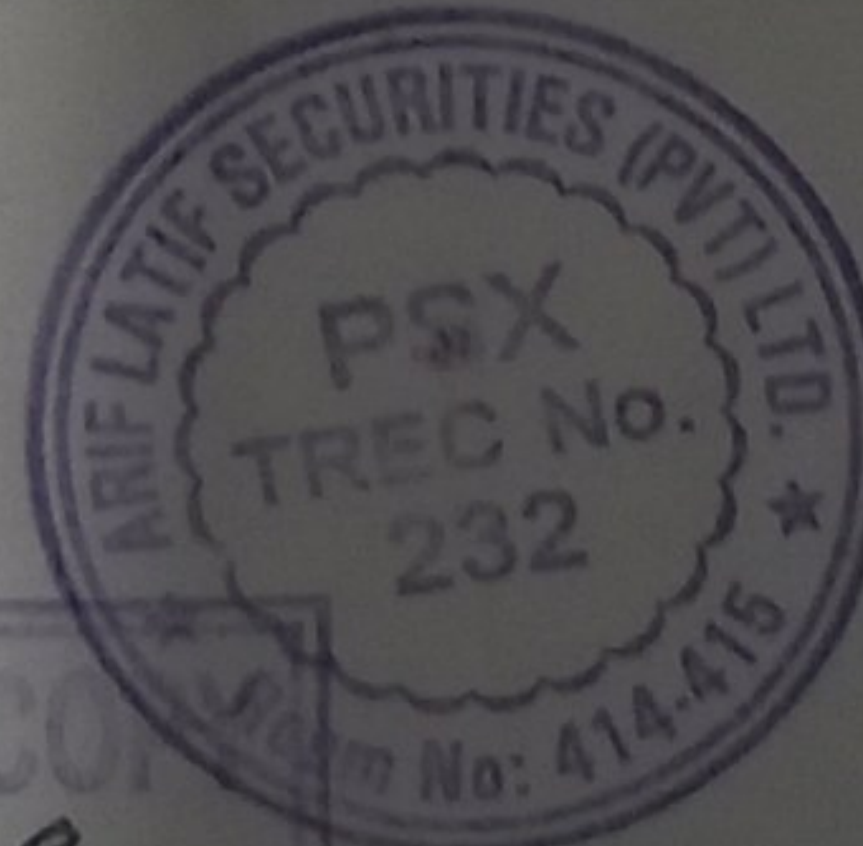
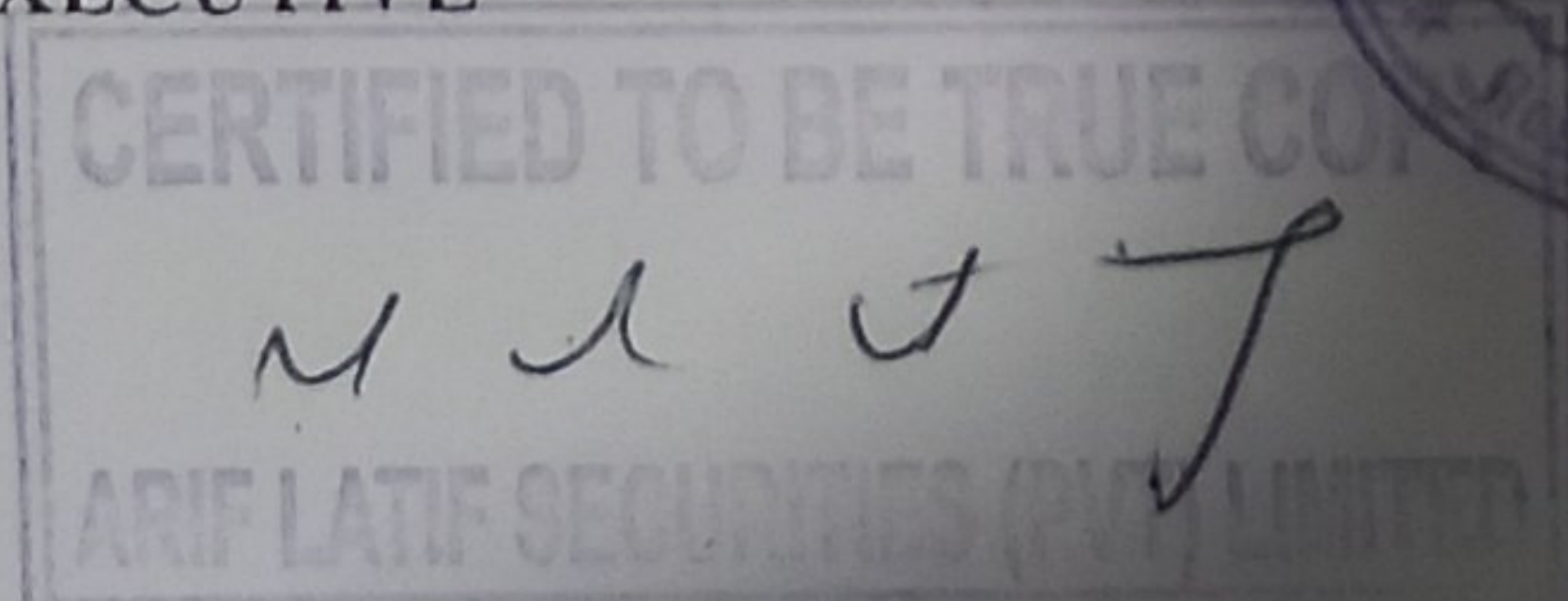
ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2022

PARTICULARS	NOTE	December 31, 2022	December 31, 2021
		RUPEES	RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		3,384,479	(248,264)
Adjustment for non cash items:			
Dividend income		(662,588)	(2,385,828)
Gain on disposal of investment		-	-
Financial charges		17,469	14,531
Depreciation for the year		-	-
Cash flow before working capital changes		2,739,360	(2,619,561)
Changes in working capital:			
(Increase)/ decrease in current assets			
Trade debts - considered good		(486,196)	3,125,814
Short term deposits		(1,306,368)	(500,000)
Increase / (decrease) in current liabilities			
Trade and other payables		6,188,566	(73,616,064)
Net working capital changes		4,396,002	(70,990,250)
Income tax paid		(863,425)	(678,753)
Finance charges paid		(17,469)	(14,531)
Total payments made		(880,893)	(693,284)
<b>Net cash Inflow / (outflow) from operating activities</b>		<b>6,254,469</b>	<b>(74,303,095)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(116,600)	(1,574,200)
Purchase of investments		(19,568,227)	(33,160,600)
Disposal of Investment		-	-
Dividend income		662,588	2,385,828
<b>Net cash (outflow) from investing activities</b>		<b>(19,022,239)</b>	<b>(32,348,972)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Directors' Loan		-	-
Issuance of shares		-	20,000,000
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>20,000,000</b>
<b>Net (decrease) in cash &amp; cash equivalents</b>		<b>(12,767,770)</b>	<b>(86,652,067)</b>
<b>Cash &amp; cash equivalents at start of the year</b>		<b>56,657,775</b>	<b>127,963,107</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF YEAR</b>		<b>43,890,004</b>	<b>41,311,040</b>

The annexed notes 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE

*[Handwritten Signature]*



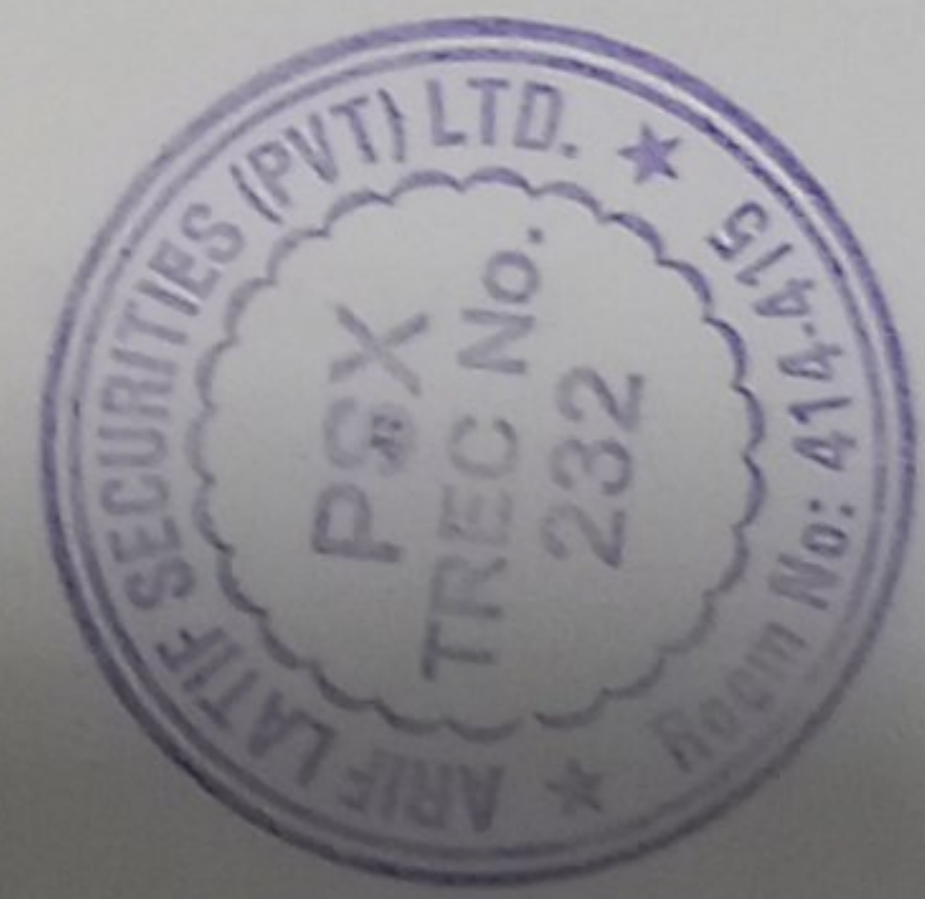
DIRECTOR

*[Handwritten Signature]*

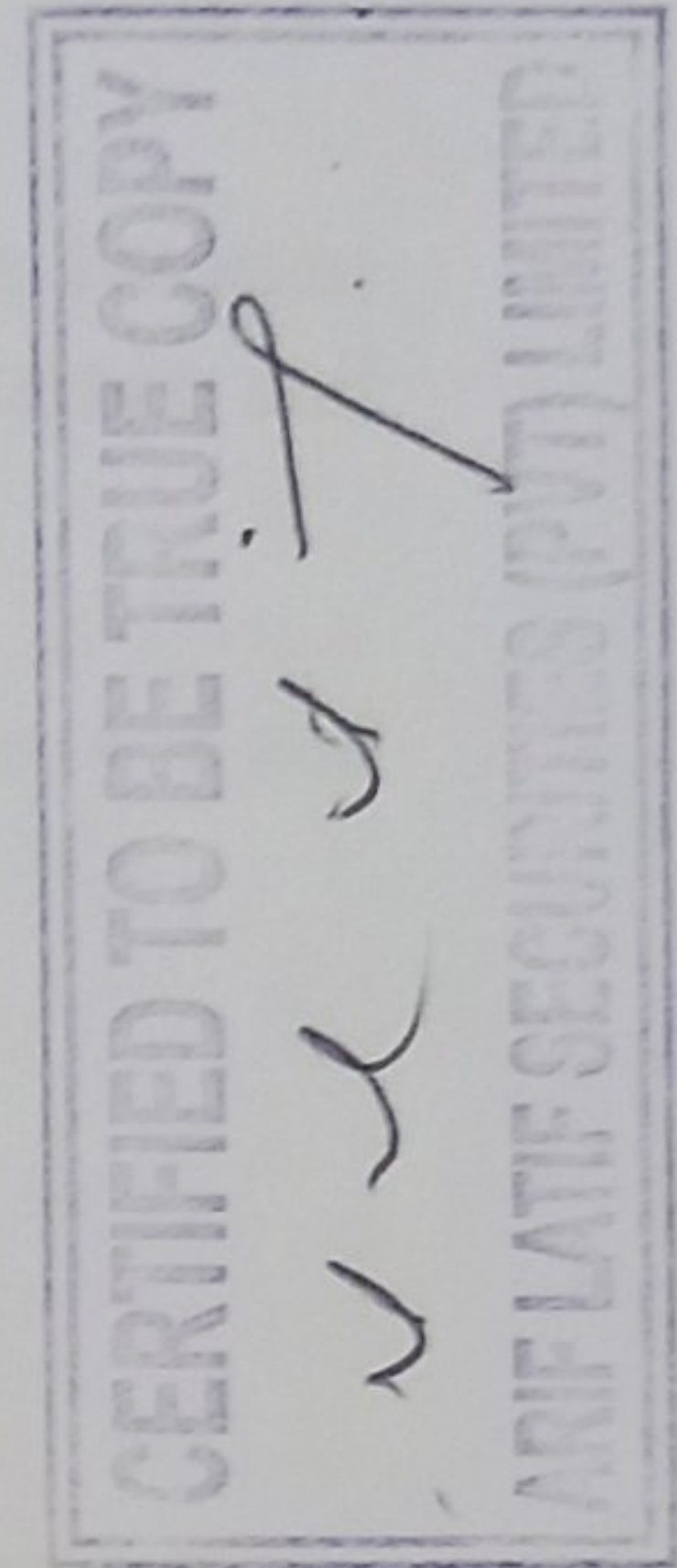
**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Particulars	Share capital	Unappropriated profit	Revaluation reserves	Directors' loan	Total
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at June 30, 2020	55,000,000	11,135,868	19,673,447	-	85,809,315
Total comprehensive income for the year	-	4,598,788	-	-	4,598,788
Issue of share capital	20,000,000	-	-	-	20,000,000
Repayment of loan	-	-	-	-	-
Revaluation surplus	-	-	860,855	-	860,855
Balance as at June 30, 2021 - Audited	75,000,000	15,734,656	20,534,302	-	111,268,958
Total comprehensive income for the year	-	2,171,229	-	-	2,171,229
Issue of share capital	-	-	-	-	-
Repayment of loan	-	-	-	-	-
Revaluation surplus	-	-	(4,127,038)	-	(4,127,038)
Balance as at December 31, 2022 - Un-Audited	75,000,000	17,905,885	16,407,264	-	109,313,149

The annexed notes 1 to 31 form an integral part of these financial statements.



*Arif Latif*  
**CHIEF EXECUTIVE**



*Arif Latif*  
**DIRECTOR**

**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 LEGAL STATUS AND OPERATIONS**

Arif Latif Securities (Private) Limited was incorporated as private limited company on January 28, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) via incorporation no. 0071461.

The Company is a Trading Rights Entitlement Certificate (TREC) holder of the Pakistan Stock Exchange Limited. The Company is engaged in the business of share brokerage and investment in securities.

The registered and principal office of the company is situated at 4th Floor, Room No. 414 and 415, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting 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 and the provisions of and directives issued under the Companies Act, 2017. Where the provisions of or directives issued under the Companies Act, 2017 differ from the IFRS, the provisions and / or directives issued under the Companies Act, 2017 have been followed.

**2.2 NEW STANDARDS, AMENDMENTS & INTERPRETATIONS BECAME EFFECTIVE**

The Company has adopted the following revised standards, amendments in accounting standards and interpretations of IFRS which became effective for the current year:

IFRS 16 - Leases - Annual Improvements to IFRS 2018-2020

However, this adoption has no impact on the financial statements of the Company.

**2.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

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

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Presentation of Financial Statements – definition of 'material' and classification of liabilities	01 January 2023
IAS 1 - Classification of liabilities as current and non current- Deferral to Effective date Amendments to IAS 01	01 January 2023
IAS 8 - Amended by Definition of Accounting Estimates – Amendments to IAS 8	01 January 2023
IAS 16 - Amended by Property, Plant and Equipment — Proceeds before Intended Use	01 January 2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments)	01 January 2022
IFRS 1 - First-time Adoption of International Financial Reporting Standards – Annual Improvements to IFRS Standards 2018–2020)	01 January 2022
IFRS 3 - Business Combination – Amendments to clarify reference to the Conceptual Framework	01 January 2022
IFRS 9 - Financial Instruments – Annual Improvements to IFRS Standards 2018–2020 (Amended)	01 January 2022

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in previous years. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022 and January 01, 2023 respectively. The Company expects that such improvements to the standards will not have any significant impact on the Company's financial statements in the period of initial application.

Furthermore, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 17 - Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standard will have no material effect on the Company's financial statements, in the period of initial application.

#### 2.4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items which are stated at fair values as disclosed in relevant accounting policies.

**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2.5 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Pakistani Rupees which is the Company's functional & presentational currency. Amounts presented in these financial statements have been rounded off to the nearest of rupee, unless otherwise stated.

**2.6 KEY JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with the approved accounting and financial reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgments in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, are stated in the following accounting policies and notes and relate

- Useful lives, residual values and depreciation method of the property & equipment;
- Useful lives, residual values and amortization method of the
- Provision for doubtful trade receivables;
- Provision for taxation; and
- Financial liabilities.

The revisions to accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**3 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all the periods presented in these financial statements.

**3.1 PROPERTY, PLANT AND EQUIPMENT**

All the property and equipment have been valued at cost less accumulated depreciation and accumulated impairment losses, if any, except freehold land and capital work in progress which are stated at cost. Cost includes purchase price and all incidental expenses incurred up to the date the asset is put to use. The capital work in progress is transferred to fixed assets as and when assets are available for intended use. All expenses including borrowing costs, if any, as per IAS-23, will be capitalized till the time these assets will start economic benefits.

Depreciation on property and equipment is charged to profit on reducing balance method over its estimated useful life so as to write off the historical cost of an asset at the rates specified. Depreciation on additions is charged on the basis of number of days commencing from the day at which assets become available for use, while on disposals, depreciation is charged up to the day of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

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 the cost of the item can be measured reliably. All other repair & maintenance costs are charged to profit during the period in which they are incurred.



**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income during the year in which the asset is

**3.2 IMPAIRMENT OF ASSETS**

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized as an expense.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment loss(es) been recognized for the asset in prior years.

**3.3 INTANGIBLE ASSETS**

Intangible assets, if any, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method. Research and development expenditure is charged to 'administrative & general expenses' in the profit or loss account as and when incurred.

**3.4 MEMBERSHIP CARD & OFFICE ROOM**

These are stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated

**3.5 TRADE AND OTHER RECEIVABLES**

Trade & 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 profit or loss account.

**3.6 CASH AND CASH EQUIVALENTS**

Cash & cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash & cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts and short term liquid investments.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

3.7 FINANCIAL INSTRUMENTS

3.7.1 FINANCIAL ASSETS

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at it an instrument level. The Company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments).
- ii) Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to held 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 financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

**c) Derecognition**

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**3.7.2 FINANCIAL LIABILITIES**

**a) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

b) Subsequent measurement

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments. Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial Liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The Company has

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The differences in the respective carrying amounts is recognized in the statement of profit or loss.

### 3.8 OFF-SETTING OF FINANCIAL ASSETS & LIABILITIES

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle

### 3.9 PROVISIONS

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured

**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices & conditions and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

**3.10 TRADE AND OTHER PAYABLES**

Trade & other payables are obligations under normal short term credit terms. These are measured at the undiscounted amount of cash to be paid.

**3.11 REVENUE RECOGNITION**

Revenue from sales is recognized when all of the following conditions are satisfied;

- a) the Company has transferred to the buyer, the significant risks and rewards of ownership of such properties;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership for effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the
- e) The costs incurred or to be incurred in respect of the transaction can

Other revenue is recognized on the following basis;

- Rental income is recognized on a time proportion basis over the lease term;
- Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- Dividend income is recognized when the right to receive the

**3.12 INCOME TAX**

Tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, if any, in which case the tax amounts are recognized directly in other comprehensive income or equity. Income tax comprises of current tax and deferred tax.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credits and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Deferred tax**

A deferred tax liability is recognized for all temporary differences that are expected to increase taxable profit in future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in future and the carry forward of unused tax losses. The amount of deferred tax provided, if any, is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the

**Off-setting**

Deferred tax assets and liabilities are off-set if there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the

**3.13 RELATED PARTY TRANSACTIONS**

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decisions of each other. The related parties and associated undertakings comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel.

**3.14 BORROWING COSTS**

**Measurement**

Loans are measured at amortized cost using the effective interest method. Overdrafts are repayable in full on demand and are initially measured and subsequently stated at face value.

**Interest**

Interest is recognized on the basis of effective interest method and is charged to finance cost.

**Interest free loan**

In case, where the loan is for a fixed term but is interest free or carries interest below the prevalent market rate, it is initially recognized at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognized as finance income. Subsequently, the interest free loan is measured at amortized cost, using the effective interest rate method. This involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the profit or loss account.

**3.15 FOREIGN CURRENCY TRANSACTIONS & TRANSLATIONS**

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling on the reporting date and exchange differences, if any, are charged in the statement of profit or loss.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

3.16 CONTINGENCIES AND COMMITMENTS

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with reliability.

**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**4 PROPERTY AND EQUIPMENT**

PARTICULARS	December 31, 2022						WDV As at 30-Jun-22
	COST		Rate %	DEPRECIATION		As at 30-Jun-22	
	As at 01-Jul-21	Additions/ (deletions)		As at 01-Jul-21	For the year		
							RUPEES
Furniture and fittings	53,479	-	10	33,127	-	33,127	20,352
Computer equipment	377,047	116,600	30	278,930	-	278,930	214,717
Office equipment	352,936	-	10	146,044	-	146,044	206,892
Vehicle	4,465,000	-	15	711,813	-	711,813	3,753,188
<b>Total</b>	<b>5,248,462</b>	<b>116,600</b>		<b>1,169,914</b>	<b>-</b>	<b>1,169,914</b>	<b>4,195,149</b>

**4.1 PROPERTY AND EQUIPMENT -COMPARATIVE**

PARTICULARS	June 30, 2022						WDV As at 30-Jun-22
	COST		Rate %	DEPRECIATION		As at 30-Jun-22	
	As at 01-Jul-21	Additions/ (deletions)		As at 01-Jul-21	For the year		
							RUPEES
Furniture and fittings	53,479	-	10	30,866	2,261	33,127	20,352
Computer equipment	367,847	9,200	30	238,523	40,407	278,930	98,117
Office equipment	352,936	-	10	123,056	22,988	146,044	206,892
Vehicle	2,900,000	1,565,000	15	72,500	639,313	711,813	3,753,188
<b>Total</b>	<b>3,674,262</b>	<b>1,574,200</b>		<b>464,945</b>	<b>704,969</b>	<b>1,169,914</b>	<b>4,078,549</b>



ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	NOTE	December 31, 2022 RUPEES Un-Audited	June 30, 2022 RUPEES Audited
<b>5 INTANGIBLE</b>			
Trading Right Entitlement Certificate (TREC)	5.1	2,500,000	2,500,000
Office Booth - PSX Limited	5.2	500,000	500,000
		<u>3,000,000</u>	<u>3,000,000</u>
<p>5.1 This represents Trading Right Entitlement (TRE) Certificate received from Pakistan Stock Exchange Limited after the merger of all the three stock exchanges of Pakistan in accordance with the requirements of the Stock Exchanges (Corporatization, emutualization and Integration) Act, 2012.</p> <p>5.2 This represents cost of leasehold rights to use the Room given by LSE Financial Services Limited for indefinite useful life as per notice of LSE number LSE-4757 dated November 12, 2009. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.</p>			
<b>6 LONG-TERM INVESTMENTS</b>			
<b>Equity instruments-fair value through OCI</b>			
LSE Financial Services Limited Shares 843,975 (2022: 843,975 )	6.1	<u>16,406,874</u>	<u>20,533,912</u>
		<u>16,406,874</u>	<u>20,533,912</u>
<b>6.1 LSE Financial Services Limited</b>			
Opening balance		20,533,912	19,673,058
Fair value adjustment	6.1.1	(4,127,038)	860,855
Right shares subscription		-	-
Closing balance		<u>16,406,874</u>	<u>20,533,912</u>
<p>6.1.1 These constitute investment in 843,975 shares of Rs. 19.44/- each (2022: 843,975 shares of Rs. 24.33/- each) of LSE Financial Services Limited (formerly LSE).</p>			
<b>7 LONG-TERM DEPOSITS AND PREPAYMENTS</b>			
Central Depository Company of Pakistan (CDCPL)		100,000	100,000
National Clearing Company of Pakistan (NCCPL)		1,400,000	1,400,000
		<u>1,500,000</u>	<u>1,500,000</u>
<b>8 TRADE DEBTS - CONSIDERED GOOD</b>			
Trade receivable	8.1	<u>6,722,453</u>	<u>6,236,257</u>
		<u>6,722,453</u>	<u>6,236,257</u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	NOTE	December 31, 2022 RUPEES Un-Audited	June 30, 2022 RUPEES Audited
8.1		These trade debts include trading account due from related parties amounting to Rs. 566,366 (2022: Rs. NIL)	
<b>9 SHORT TERM DEPOSITS</b>			
		6,200,000	6,000,000
		2,000,000	2,000,000
		506,368	-
		600,000	-
		<u>9,306,368</u>	<u>8,000,000</u>
<b>10 SHORT TERM INVESTMENTS</b>			
	10.1	6,353,850	11,903,760
	10.2	44,475,637	19,357,500
		<u>50,829,487</u>	<u>31,261,260</u>
<b>10.1 Equity instruments- fair value through P&amp;L</b>			
		1,911,900	-
		4,441,950	11,580,727
		6,353,850	11,580,727
		-	323,033
		<u>6,353,850</u>	<u>11,903,760</u>
<b>10.2 Debt instruments- amortized cost</b>			
		44,475,637	19,357,500
		<u>44,475,637</u>	<u>19,357,500</u>
10.2.1 The Company has purchased Government of Pakistan Market Treasury Bills (T.B.) of face value of Rs. 47,000,000 from MCB Bank Limited. The Treasury Bill (T.B.) will be matured on 2023			
<b>11 CASH AND BANK BALANCES</b>			
		70,212	70,212
<b>Cash at bank:</b>			
		23,374,931	35,600,576
		20,444,861	20,986,987
		43,819,792	56,587,563
		<u>43,890,004</u>	<u>56,657,775</u>
11.1 The saving accounts carries markup ranging from 11% to 13.5% (2022: 5.5% to 8%) per annum.			

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	NOTE	December 31, 2022 RUPEES Un-Audited	June 30, 2022 RUPEES Audited
<b>12 SHARE CAPITAL</b>			
<b>12.1 Authorized share capital</b>			
7,500,000 (2022 : 7,500,000/-) shares of Rs 10/- each		<u>75,000,000</u>	<u>75,000,000</u>
		<u>75,000,000</u>	<u>75,000,000</u>
<b>12.2 Issued, Subscribed and Paid-up Capital - In cash</b>			
7,500,000 (2022 : 5,500,000/-) shares of Rs 10/- each		<u>75,000,000</u>	<u>75,000,000</u>
		<u>75,000,000</u>	<u>75,000,000</u>
<b>12.1 Pattern of share holding</b>			
<b>Name</b>		<b>Number of shares held</b>	<b>Percentage</b>
Arif Latif		6,000,000	80.00%
Atif Arif		750,000	10.00%
Adeel Arif		750,000	10.00%
Total number of shares		<u>7,500,000</u>	<u>100%</u>
<b>13 REVALUATION RESERVES</b>			
Opening balance		20,534,302	19,673,447
LSE Financial Services Limited (formerly LSE)		(4,127,038)	860,855
		<u>16,407,264</u>	<u>20,534,302</u>
<b>14 DEFERRED TAXATION</b>			
Deferred tax liability	14.1	<u>473,532</u>	<u>161,307</u>
		<u>473,532</u>	<u>161,307</u>
<b>14.1 Deferred tax liability</b>			
Opening balance		161,307	82,081
Movement during the year		312,225	79,226
Closing balance		<u>473,532</u>	<u>161,307</u>
<b>15 TRADE AND OTHER PAYABLES</b>			
Trade payables	15.1	21,092,630	14,165,877
Accrued liabilities	15.2	730,787	1,668,974
NCCPL future deposit DFC Exposure		5,200,000	5,000,000
		<u>27,023,417</u>	<u>20,834,851</u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	June 30, 2022
NOTE	RUPEES Un-Audited	RUPEES Audited
15.1 This includes trading account due to related parties amounting to Rs. 6,169,677/- (2022: 10,720,327).		
<b>15.2 Accrued liabilities</b>		
Audit fee payable	-	194,250
Other payables	730,787	1,474,724
	<u>730,787</u>	<u>1,668,974</u>
<b>16 TAXATION-NET</b>		
Opening (receivable) / payable	(997,363)	(2,311,214)
Add: tax paid / deducted during the year	(863,425)	(1,532,388)
	<u>(1,860,788)</u>	<u>(3,843,602)</u>
Less: provision for tax		
Current	901,025	1,013,925
Prior year	-	1,832,314
	<u>901,025</u>	<u>2,846,239</u>
	<u>(959,763)</u>	<u>(997,363)</u>
16.1 The provision for current year's tax is based on minimum tax @ 1.25% of turnover u/s 113 of the Income Tax Ordinance, 2001. Hence, the numerical reconciliation between average effective tax rate and the applicable tax rate is not presented. According to management, the tax provision made in the financial statements is sufficient.		
<b>17 CONTINGENCIES AND COMMITMENTS</b>		
<b>17.1 CONTINGENCIES:</b>		
There are no contingencies as at December 31, 2022 (2022: nil).		
<b>17.2 COMMITMENTS:</b>		
The company has lien the TRE certificate's Pakistan Stock Exchange and 843,975 number of shares with Pakistan Stock Exchange in compliance with Base Minimum Capital (BMC) requirement under the regulations governing risk management of PSX.		
<b>18 DIVIDEND INCOME</b>		
Dividend income from investment	662,588	915,783
	<u>662,588</u>	<u>915,783</u>
<b>19 BROKERAGE INCOME - NET</b>		
Brokerage income - gross	2,401,623	7,388,448
Sales tax on services	(331,258)	(1,019,096)
	<u>2,070,365</u>	<u>6,369,352</u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	NOTE	December 31, 2022 RUPEES Un-Audited	June 30, 2022 RUPEES Audited
<b>19 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and benefits		2,708,000	8,039,628
Legal and professional charges		-	411,500
Auditors' remuneration	19.1	-	194,250
Fee and subscription		280,172	627,986
Electricity		160,219	212,042
Rent, rates and taxes		318,885	828,514
Communication expense		117,055	148,045
Entertainment expense		28,707	30,530
Postage		20,053	24,040
Travelling and conveyance		659,702	421,520
Depreciation	4	-	150,622
Bad debts		-	-
Miscellaneous		386,484	444,525
		<u>4,679,277</u>	<u>11,533,202</u>
<b>20 FINANCIAL CHARGES</b>			
Bank charges		17,469	23,016
		<u>17,469</u>	<u>23,016</u>
<b>21 OTHER INCOME</b>			
Bank profit		5,348,271	6,072,617
Service income		-	1,114,139
Loss on disposal of investment		-	-
		<u>5,348,271</u>	<u>7,186,756</u>
<b>22 PROVISION FOR TAXATION</b>			
Current		901,025	529,092
Prior year		-	(148,711)
Deferred		312,225	123,406
		<u>1,213,250</u>	<u>503,787</u>
<b>23 BASIC EARNING PER SHARE</b>			
Profit after taxation		2,171,229	(615,758)
Weighted average number of shares		7,500,000	4,333,334
Earning per share - basic		<u>0.29</u>	<u>(0.14)</u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE	December 31, 2022	June 30, 2022
	RUPEES	RUPEES
	Un-Audited	Audited

24 RELATED PARTIES TRANSACTIONS

Amounts due from and to related parties are shown under respective notes to the financial statements. Remuneration of directors and key management personnel is disclosed in Note 30. Other significant transactions with related parties are as follows:

Name and basis of relationship		Dec-22	Jun-22	
i)	Mr. Arif Latif - CEO / Director	Payable	786,742	4,220,631
ii)	Mrs. Seemi Arif Latif - Director's spouse	Payable	5,155,831	5,852,242
iii)	Mr. Adeel Arif - Director	Debtor	566,366	92,760
iv)	Mr. Atif Arif - Director	Payable	173,762	501,353
v)	Mrs. Sobia Atif - Director's spouse	Payable	53,341	53,341

25 NUMBER OF EMPLOYEES

Number of employees as at year end	<u>5</u>	<u>4</u>
Average number of employees during the	<u>5</u>	<u>4</u>

25.1 Average and number of employees during the year in factory not applicable to the company.

26 CAPITAL ADEQUACY LEVEL

Total assets	136,810,098	186,230,781
Less: total liabilities	(27,023,417)	(100,339,385)
Less: revaluation reserves (created upon revaluation of fixed assets)	(16,407,264)	(19,673,447)
	<u>93,379,417</u>	<u>66,217,949</u>

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by M/s. Arif Latif Securities (Pvt.) Limited as at period ended December 31, 2022 as determined by Pakistan Stock Exchange has been considered.

ARIF LATIF SECURITIES (PRIVATE) LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022

**27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

	Interest bearing		Non-interest bearing		Total	
	Maturity within one year	Maturity after one year	Maturity within one year	Maturity after one year	December 31, 2022 (Un-Audited)	June 30, 2022 (Audited)
<b>Financial assets:</b>						
Long term investment	-	-	-	16,406,874	16,406,874	20,533,912
Long term deposits	-	-	-	1,500,000	1,500,000	1,500,000
Short term deposits	-	-	9,306,368	-	9,306,368	8,000,000
Trade debts - considered good	-	-	6,722,453	-	6,722,453	6,236,257
Short term investments	-	-	50,829,487	-	50,829,487	31,261,260
Cash and bank balances	43,819,792	-	70,212	-	43,890,004	56,657,775
	43,819,792	-	66,928,520	17,906,874	128,655,186	124,189,204
<b>Financial liabilities:</b>						
Trade and other payables	-	-	27,023,417	-	27,023,417	20,834,851
Loan from directors	-	-	-	-	-	-
	-	-	27,023,417	-	27,023,417	20,834,851

**27.1 Financial instruments and financial risk management**

The company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner:

**27.2 Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. However, this risk is mitigated by applying individual credit limits to high credit rating parties and constant monitoring of credit.

**27.3 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments.

**ARIF LATIF SECURITIES (PRIVATE) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**27.4 Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	December 31, 2022	June 30, 2021
	Un-Audited	Audited
<u>Carrying amount</u>	<u>27,023,417</u>	<u>20,834,851</u>

Trade and other payables

**27.5 Capital risk management**

The company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debts. The gearing ratio as at period ended December 31, 2022 and June 30, 2022 are as follows:-

	December 31, 2022	June 30, 2022
	RUPEES	RUPEES
	Un-Audited	Audited
Total borrowing	43,890,004	56,657,775
Cash and bank balances	(43,890,004)	(56,657,775)
Net debt	109,313,149	111,268,958
Total equity	65,423,145	54,611,183
Total capital	<u>(0.67)</u>	<u>(1.04)</u>
Gearing ratio		

**27.6 Fair value of financial instruments**

The carrying amounts of financial assets and financial liabilities approximate their fair values.



ARIF LATIF SECURITIES (PRIVATE) LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	June 30, 2022
	RUPEES	RUPEES
	Un-Audited	Audited

NOTE

28 LIQUID CAPITAL

As per attached in annexure "B".

29 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and / or re-classified, wherever necessary, for the purpose of better comparison. However, no material re-arrangement / re- classification has been in these financial statements.

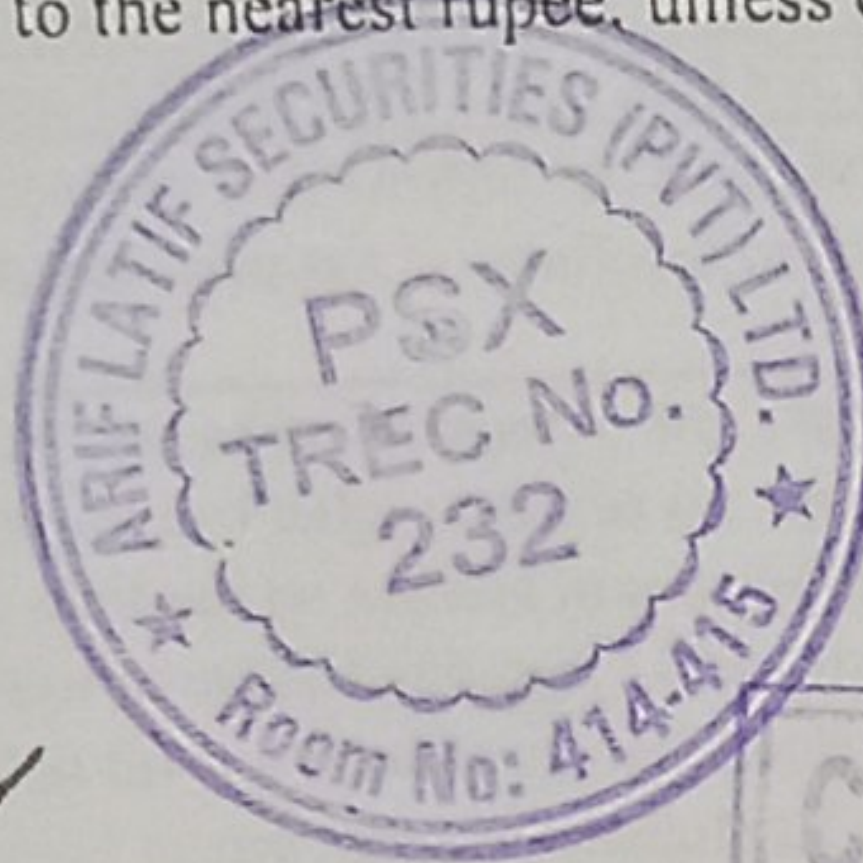
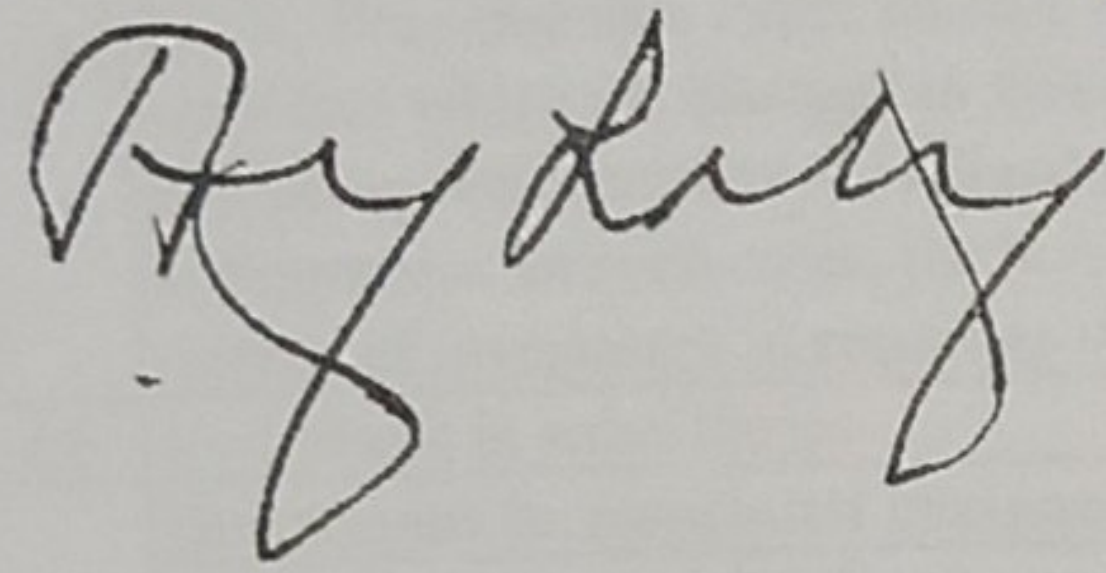
30 DATE OF AUTHORIZATION FOR ISSUE

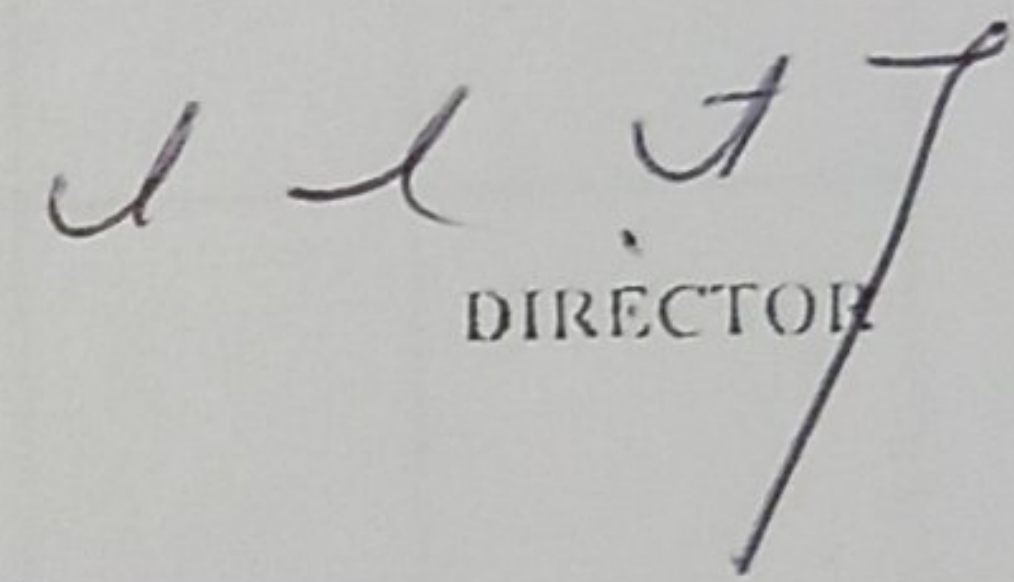
These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors.

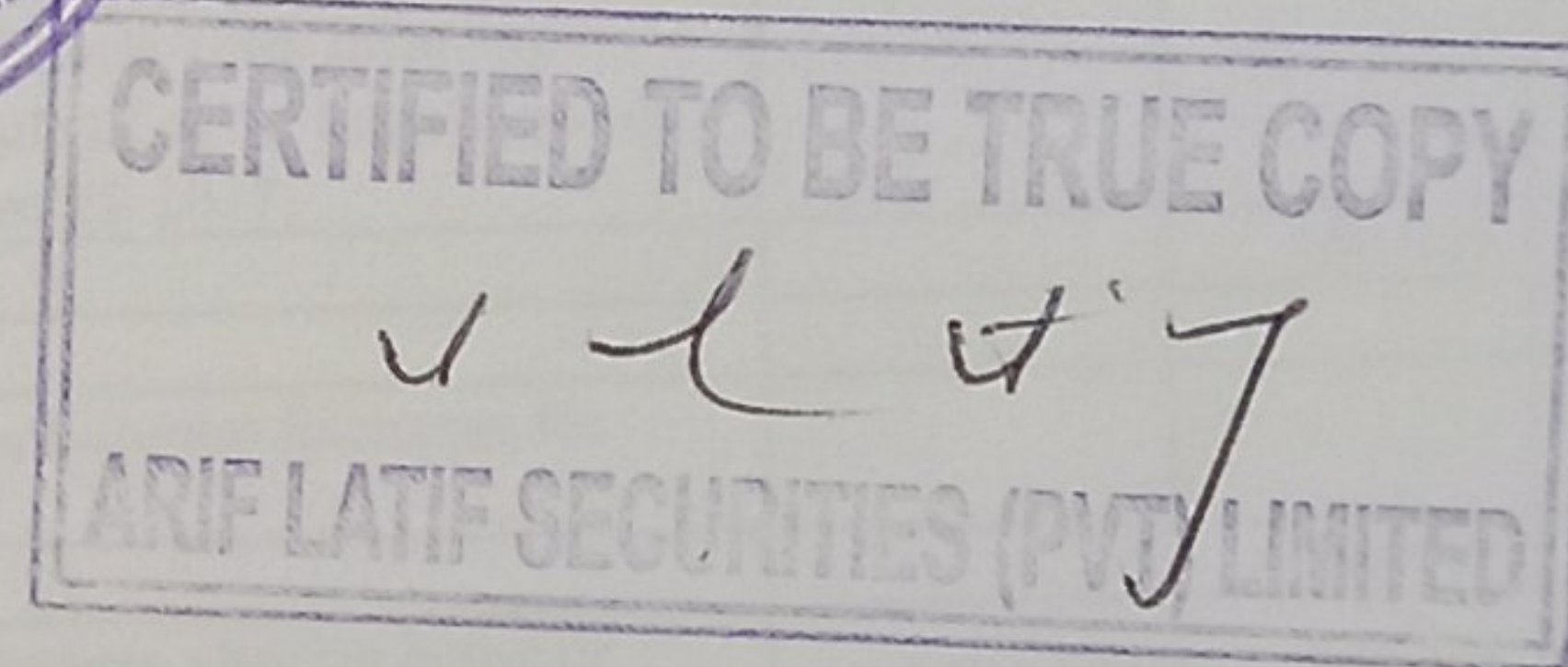
31 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.

CHIEF EXECUTIVE



  
DIRECTOR



28 LIQUID CAPITAL

Annexure "B"

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustment	Net Adjusted Value
<b>I. Assets</b>				
1.1	Property & Equipment (LSE ROOM 309)	4,195,149	100.00%	-
1.2	Intangible Assets (TREC)	3,000,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)			-
<b>Investment in Debt. Securities</b>				
<b>If listed than:</b>				
i. 5% of the balance sheet value in the case of tenure upto 1 year.				
ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.				
iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.				
<b>If unlisted than:</b>				
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.				
<b>Investment in Equity Securities</b>				
i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.				
ii. If unlisted, 100% of carrying value. (LSE FINANCIAL SERVICES LTD.)				
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 favour 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).				
1.5		6,353,850	15.00%	5,400,773
		16,406,874	100.00%	-
1.6	Investment in subsidiaries		100.00%	-
<b>Investment in associated companies/undertaking</b>				
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.				
1.7			100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	8,200,000	-	8,200,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB	506,368	100.00%	-
1.11	Other deposits and prepayments		100.00%	-
Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)				
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100.00%	-
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> )			-
i. Short Term Loan to Employees. Loans are secured and due for repayment within 12				
ii. Receivables other than trade receivables				
Receivables from clearing house or securities exchange(s)				
i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MiM gains				
ii. Receivable on entitlements against trading of securities in all markets including MiM gains.				
<b>Receivables from customers</b>				
i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.				
i. Lower of net balance sheet value or value determined through adjustments.				
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 value.				
iv. Balance sheet value				
1.17		955		955

28 LIQUID CAPITAL

Annexure "B"

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustment	Net Adjusted 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.	494,163	100%	-
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable from related parties.	566,366	100.00%	-
	<b>Cash and Bank balances</b>			
	Treasury Bill			
1.18	i. Bank Balance-proprietary accounts	23,374,931	-	23,374,931
	ii. Bank balance-customer accounts	20,444,861	-	20,444,861
	iii. Cash in hand	70,212	-	70,212
1.19	<b>Total Assets</b>	<b>136,210,099</b>		<b>103,180,775</b>

2. Liabilities

	<b>Trade Payables</b>			
2.1	i. Payable to exchanges and clearing house		-	-
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	17,654,212	-	17,654,212
	<b>Current Liabilities</b>			
2.2	i. Statutory and regulatory dues	55,120	-	55,120
	ii. Accruals and other payables	730,790	-	730,790
	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	-	-	-
	<b>Non-Current Liabilities</b>			
2.3	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	<b>Subordinated Loans</b>			
	i. 100% of Subordinated loans which fulfil the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfil 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 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 fulfil the conditions specified by SECP			
2.5	<b>Total Liabilities</b>	<b>18,440,122</b>		<b>18,440,122</b>

3. Ranking Liabilities Relating to :

	<b>Concentration in Margin Financing</b>			
3.1.	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
	<b>Concentration in securities lending and borrowing</b>			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			

28 LIQUID CAPITAL

Annexure "B"

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustment	Net Adjusted Value
	<b>Net underwriting Commitments</b>			
3.3	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price: the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments			
3.4	<b>Negative equity of subsidiary</b> 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	<b>Foreign exchange agreements and foreign currency positions</b> 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	<b>Amount Payable under REPO</b>			
3.7	<b>Repo adjustment</b> 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	<b>Concentrated proprietary positions</b> 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	-	222,098	222,098
3.9	<b>Opening Positions in futures and options</b> 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	-	-	-
3.10	<b>Short sell positions</b> i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>		222,098	222,098
3.12	<b>Liquid Capital</b>	117,769,977	222,098	84,518,55

CERTIFIED TO BE TRUE COPY  
 ARIF LATIF SECURITIES (PVT) LIMITED

