

SPINZER EQUITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

32. Liquid Capital Balance

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		----- Rupees -----		
I. Assets				
1.1	Property & Equipment	3,000,820	3,000,820	
1.2	Intangible Assets	2,500,000	2,500,000	
1.3	Investment in Govt. Securities:			
	(Difference between book value and sale value on the date on the basis of PRRV published by NIFT)			
	- Sale value on the date on the basis of PRRV published by NIFT			
1.4	Investment in Debt Securities:			
	If listed then:			
	i. 8% of the balance sheet value in the case of tenure up to 1 year			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years			
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years			
1.5	Investment in Equity Securities:			
	i. If based 15% or VaR of each securities on the market date as recognized by the Securities Exchange for respective securities whichever is higher	13,999,999	2,699,999	11,882,999
	ii. If unlisted, 100% carrying value	32,819,335	32,819,335	
1.6	Investment in subsidiaries:			
	- 100% of net value			
1.7	Investment in associated companies/undertakings:			
	ii. If unlisted, 100% of net value			
1.8	Statutory or regulatory deposits/issue deposits with the exchanges, clearing house or central depository or any other entity	2,701,420	2,701,420	
	- 100% of net value			
1.9	Mutual deposits with exchange and clearing house - Nil Haircut			
1.10	Deposit with authorized intermediary against borrowed securities under SLB - nil			
1.11	Office deposits and prepayments	1,706,114	1,706,114	
	- 100% haircut of carrying value			
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 diversify substance and other related parties			
1.13	Dividends receivable - Nil			
1.14	Amounts receivable against Repo financing:			
	- Amount paid as purchaser under the Repo agreement			
	- Securities purchased under repo arrangement that not be included in the investments			
1.15	Advances and Receivables other than trade receivables:			
	i. No Haircut may be applied on the short term loans to companies provided these loans are secured and due for repayment within 12 months	13,883	13,883	
	ii. No Haircut may be applied to the advances to the extent it is secured with provision of collateral	1,818,870	1,818,870	
	iii. In all other cases, - 100% of net value			
1.16	Receivables from clearing house or securities exchange(s):			
	100% value of claims other than those on account of entitlements arising trading of securities in all markets including MiFid gains	4,330,921	-	4,330,921
1.17	Receivables from customers			

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		Rupees		
	i. In case receivables are against margin financing, the aggregate of a. value of securities held in the brocked account after applying VAR based haircut, b. cash deposited as collateral by the financee and c. market value of any securities deposited as collateral after applying VAR based haircut. - 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. (Net amount after deducting haircut)			
	iii. In case receivables are against securities borrowings under SIB, the amount paid to NCCDF, as collateral upon entering into contract. - Net amount after deducting haircut			
	iv. Total of other trade receivables not more than 3 days overdue, 0% of the net balance sheet value. - Balance sheet value	4,399,453		4,399,453
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of a. the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, b. cash deposited as collateral by the respective customer and c. the market value of securities held as collateral after applying VAR based haircuts. - Lower of net balance sheet value or value determined through adjustments. vi. 100% haircut as the value of amount receivable from related parties	8,607,531	7,287,663	1,319,868
1.15	Cash and Bank balances:			
	i. Bank Balance-proprietary accounts	248,561		248,561
	ii. Bank balance-customer accounts	79,714,539		79,714,539
	iii. Cash in hand	42,485		42,485
1.19	Subscription money against investment in IPO/offer for sale (asset): No haircut may be applied in respect of amount paid to subscribers whose proceeds that shares have not been allotted to or not included in the investment of securities broker. - Net amount after deducting haircuts			
1.20	Total Assets	92,537,365	46,727,348	45,809,921
2. Liabilities				
2.1	Trade Payables:			
	i. Payable to exchanges and clearing firms	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	36,902,891	-	36,902,891
2.2	Current Liabilities:			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	1,071,552	-	1,071,552
	iii. Short term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-

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		----- Rupees -----		
2.3	Non-Current Liabilities:			
	i. Long-term financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements			
	- 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amounts due against finance leases.			
	- Nil in all other cases.			
2.4	Subordinated Loans:			
	100% of Subordinated loans which fulfill the conditions specified by SECOP are allowed to be debited. 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 w/ the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
	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.			
2.6	Total Liabilities	31,974,443	-	31,974,443
A. 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 finance exceeds 10% of the aggregate of amounts receivable from total investors.			
3.2	Concentration in securities lending and borrowing:			
	The amount by which the aggregate of:			
	(i) Amount deposited by the borrower with SECOP,			
	(ii) Cash margin paid and			
	(iii) The market value of securities pledged as margin exceeds the 110% of the market value of shares borrowed			
	Amount as determined through adjustment			
3.3	Net underwriting Commitments:			
	(a) - in the case of right issues: if the market price 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: when the market price of securities is greater than the subscription price, 50% of the Haircut multiplied by the net underwriting commitment.			
	(b) in any other case: 12.5% of the net underwriting commitments			
	- Amount as determined through adjustment			

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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. - Amount as determined through adjustment			
3.5	Foreign exchange agreements and foreign currency positions: 5% of the net position in foreign currency/Net position in foreign currency minus the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency. - Amount as determined through adjustment			
3.6	Amount Payable under REPO: - Carrying Value			
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 finance/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. - Amount as determined through adjustment			
3.8	Concentrated proprietary positions: - If the market value of any security is between 20% and 30% of the total proprietary positions then 5% of the value of such security. - If the market value of a security exceeds 30% of the proprietary positions, then 10% of the value of such security. - Amount as determined through adjustment			
3.9	Opening Positions in futures and options: a. 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 in collateral/pledged with securities exchange after applying VAR haircut. b. 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: 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 haircut less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VaR based Haircut. 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 haircut.			
3.11	Total Banking Liabilities			
Total Liquid Capital As At June 30, 2020 (1.20-2.5-3.11)		65,362,862	46,727,349	26,123,178

Calculations Summary of Liquid Capital

(i) Adjusted Value of Assets (serial number 4.20)	58,097,621
(ii) Less: Adjusted value of Liabilities (serial number 2.6)	31,974,443
(iii) Less: Total banking liabilities (serial number 3.11)	26,123,178