

NEW PEAK SECURITIES (PVT.) LIMITED

STATEMENT OF LIQUID CAPITAL BALANCE AS AT DECEMBER 31, 2023

MUSHTAQ & CO.
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Review Report On Statement Of Liquid Capital Balance

To The Chief Executive Officer Of M/s. New Peak Securities (Pvt.) Limited

Introduction

We have reviewed the accompanying Statement of Liquid Capital Balance of New Peak Securities (Pvt.) Limited as at December 31, 2023 and notes to the Statement of Liquid Capital Balance (herein-after referred to as the 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Third Schedule of the Regulations.

Other Matter - Restriction on Distribution and Use

Our report is intended solely for New Peak Securities (Pvt.) Limited (the Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this review report is **Nouman Arshad, ACA**.

Mushtaq & Co.

Mushtaq & Co.

Chartered Accountants



Lahore

Dated: 14-Mar-24

NEW PEAK SECURITIES (PVT.) LIMITED
STATEMENT OF LIQUID CAPITAL BALANCE
AS ON 31-12-23

Basis of Preparation

The liquid capital balance has been prepared under regulation 6(4) of Third Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan.

Basis of Measurement

The statement has been prepared under the historical cost convention except investment in listed securities which are measured on fair value.

Computation of Liquid Capital

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	6,101,157	100.00%	-
1.2	Intangible Assets	2,500,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)			
Investment in Debt. Securities				
If listed than:				
i. 5% of the balance sheet value in the case of tenure upto 1 year.			5.00%	
ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.			7.50%	
iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.			10.00%	
If unlisted than:				
i. 10% of the balance sheet value in the case of tenure upto 1 year.			10.00%	
ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.			12.50%	
iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.			15.00%	
Investment in Equity Securities				
i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.		17,389,726	6,649,476	10,740,250
ii. If unlisted, 100% of carrying value.		-	100.00%	-
1.6	Investment in subsidiaries			
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.			100.00%	
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. 100% of net value, however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC. Nil, or any excess cash amount.	17,931,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	968,569		968,569
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	4,125,963	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)			-
100% in respect of markup accrued on loans to directors, subsidiaries and other related parties				
1.13	Dividends receivables.			-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)			
Receivables other than trade receivables				
1. No Haircut may be applied on the short-term loan to employees provided these loans are secured and due for repayment within 12 months				
2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation				
3. In all other cases, 100% of net value			100.00%	
Receivables from clearing house or securities exchange(s) <small>TAX DED AT SOURCE AND OTHER RECEIVABLES</small>		2,726,742	0%	2,726,742
100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.				
claims on account of entitlements against trading of securities in all markets including MtM gains.		30,231,477		30,231,477



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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>		5.00%	(0)
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>			
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	27,303,513		27,303,513
	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. <i>v. Lower of net balance sheet values or values determined through adjustments</i>	17,094,575		13,693,584
	<i>vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Up to 30 days, values determined after applying VAR based haircuts; b. Above 30 days but upto 90 days, values determined after applying 50% or VAR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable.</i>	351,485	100.00%	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	2,146	-	2,146
	ii. Bank balance-customer accounts	3,265,575	-	3,265,575
	iii. Cash in hand	3,480,900	-	3,480,900
1.19	Subscription money against investment in IPO/offer			
	I. No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.			
	II. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities.			
	III. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied in Right shares..			
1.20	Total Assets	133,472,828		92,412,756
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-		-
	ii. Payable against leveraged market products	-		-
	iii. Payable to customers	24,297,348		24,297,348
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	3,692,236		3,692,236
	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	561,475		561,475
	ix. Other liabilities as per accounting principles and included in the financial statements			-
2.3	Non-Current Liabilities			
	i. Long-Term financing			
	ii. Staff retirement benefits			
	iii. 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			
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	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	28,551,059		28,551,059



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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing The amount calculated on client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 Million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.			
3.2	Concentration in securites 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. Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.			
3.3	Net underwriting Commitments (a) in the case of right issue : if the market value of securites 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 cuurency 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 securites. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securites 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 requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong 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	Short selll positions i. Incase 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. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	Total Ranking Liabilites	-	-	-
Calculations Summary of Liquid Capital				63,861,697

- (i) Adjusted value of Assets (serial number 1.20)
(ii) Less: Adjusted value of liabilities (serial number 2.6)
(iii) Less: Total ranking liabilities (series number 3.11)

92,412,756
(28,551,059)

63,861,697



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