



## **Review Report on Statement of Liquid Capital Balance**

**To the Chief Executive Officer of M/s. T&G Securities (Private) Limited**

### **Introduction**

We have reviewed the accompanying Statement of Liquid Capital Balance of **M/s. T&G Securities (Private) Limited** (the Securities Broker) as at **December 31, 2024** and notes to the Statement of Liquid Capital Balance (here-in-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 and 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 the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* which applies to a review of historical financial information performed by the independent auditor of the Securities Broker. A review of the Statement 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 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 the Third Schedule of the Regulations.

### **Other Matter- Restriction on Distribution and Use**

Our report is intended solely for the T&G Securities (Private) 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 independent auditor's review report is Mr. Muhammad Waseem.

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Karachi**

**Date: March 07, 2025**

T&G Securities (Private) Limited  
Computation of Liquid Capital  
As on December 31, 2024

Third Schedule of Securities Brokers (Licensing and Operations) Regulation 2016, read with SECP guidelines [see regulation 6(4)].

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	5,305,610	5,305,610	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	<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.	-	-	-
1.4	<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.	-	-	-
1.5	iii. 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. 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.	-	-	-
1.6	Investment in subsidiaries	-	-	-
	<b>Investment in associated companies/undertaking</b>			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	<b>Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.</b> (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with the requirements of base minimum capital may be taken in calculation of LC	-	-	-
1.9	Margin deposits with exchange and clearing house.	95,500,000	-	95,500,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	1,500,000	1,500,000	-
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	650	-	650
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.)	-	-	-





**T&G Securities (Private) Limited.**

T&G SECURITIES (PRIVATE) LIMITED

**Trec Holder / Broker, Pakistan Stock Exchange Limited.**

S. No.	Head of Account	Value in Pak Rupees	Hair Cut Adjustments	Net Adjusted Value
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**1. Assets**

1.15	<b>Advance and receivables other than trade receivables;</b> (i). No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months (ii) No haircut may be applied to the advance tax to the extent it is netted with the provision of taxation. (iii) In all other cases 100% of net value iii. Receivables other than trade receivables	3,247,762	3,247,762	-
1.16	<b>Receivables from clearing house or securities exchange(s)</b> i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	13,744,380	-	13,744,380
1.17	<b>Receivables from customers</b> 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 value. 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. v. Lower of net balance sheet value or value determined through adjustments vi. in the case of amount receivable from related parties, value determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: (a) Upto 30 days, value determined after applying var based haircuts, (b) Above 30 days but not 90 days, value determined after applying 50% var based haircuts whichever is higher (c) above 90 days, 100% haircut shall be applicable	-	-	-
1.18	<b>Cash and Bank balances</b> i. Bank Balance-proprietary accounts ii. Bank balance-customer accounts iii. Cash in hand	8,743,275 179,286,510 30,000	- - -	8,743,275 179,286,510 30,000
1.19	<b>Subscription money against investment in IPO / offer for sale (asset)</b> (i) No haircut may be applied in respect of amount paid as subscription money provided; (ii) In case of investment in IPO where shares have been allotted but yet not credited in CDS account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription of right shares where the shares have not yet been credited in CDS account, 15% or var based haircuts whichever is higher will be applied on right shares.	- - -	- - -	- - -
1.20	<b>Total Assets</b>	331,866,904		319,313,532

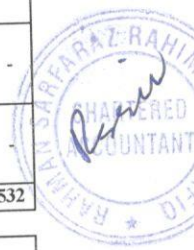
**2. Liabilities**

2.1	<b>Trade Payables</b> i. Payable to exchanges and clearing house ii. Payable against leveraged market products iii. Payable to customers	- - 179,286,432	- - -	- - 179,286,432
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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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**2. Liabilities**

2.2	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	1,300,995	-	1,300,995
	ii. Accruals and other payables	53,009,203	-	53,009,203
	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	-	-	-
2.3	<b>Non-Current Liabilities</b>			
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance lease. (b) Nil in all other cases.	-	-	-
2.4	<b>Subordinated Loans</b>	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-
2.5	<b>Advance against shares for increase in capital of securities broker</b>			
	100% haircut may be applied 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	<b>Total Liabilities</b>	233,596,630		233,596,630

**3. Ranking Liabilities Relating to :**

3.1	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from-total financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million)Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b>			
	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)	-	-	-





# T&G Securities (Private) Limited.

T. S. SECURITIES (PRIVATE) LIMITED Head of Account / Broker: Pakistan Stock Exchange Limited. Value in Pak Rupees Hair Cut / Adjustments Net Adjusted value

## 3. Ranking Liabilities Relating to :

<b>Net underwriting Commitments</b>			
3.3	<p><b>(a) in the case of right issue :</b> if the market value of securities is less than or equal to the subscription price; the aggregate of:</p> <p>(i) the 50% of Haircut multiplied by the underwriting commitments and</p> <p>(ii) the value by which the underwriting commitments exceeds the market price of the securities.</p> <p>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 commitment</p>	-	-
	<b>(b) in any other case :</b> 12.5% of the net underwriting commitments	-	-
<b>Negative equity of subsidiary</b>			
3.4	The amount by which the total assets of the subsidiary ( excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-
<b>Foreign exchange agreements and foreign currency positions</b>			
3.5	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	-	-
<b>Repo adjustment</b>			
3.7	<p><b>In the case of financier/purchaser</b> the total amount receivable under Repo less the 110% of the market value of underlying securities.</p> <p><b>In the case of financee/seller</b> 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.</p>	-	-
<b>Concentrated proprietary positions</b>			
3.8	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	-	-
<b>Opening Positions in futures and options</b>			
3.9	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	-	16,091,262
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-
<b>Short sell positions</b>			
3.10	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	<b>Total Ranking Liabilities</b>	-	16,091,262

### Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)  
(ii) Less: Adjusted value of liabilities (serial number 2.5)  
(iii) Less: Total ranking liabilities (series number 3.11)

319,313,532  
(233,596,630)  
(16,091,262)  
**69,625,640**

**Note:** Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

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