

**AAA Securities (Private) Limited**

**Audited Financial Statements**

**As at**

**June 30, 2020**



**NASIR JAVAID MAQSOOD IMRAN**  
Chartered Accountants

Office # 17, 2nd Floor Hill View Plaza  
Above Fresco Sweets Blue Area  
Jinnah Avenue Islamabad  
Phone +92-51-2228138  
+92-51-2228139  
Email: islamabadoffice@njmi.net

## INDEPENDENT AUDITOR'S REPORT

To the members of AAA SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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


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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

Lahore Office:  
Office No 914 Al-Hafeez Heights, 65-D/1, Ghalib Road, Gulberg-III.  
Tel 042-35754821-22, Fax: 042-36317513, Email: nasirgulzar@njmi.net

Karachi Office:  
Office No 807, 8th Floor, Q M House, Plot No 11/2, Ellander Road,  
Opposite to Shaheen Complex, Off 11 Chundrigar Road  
Tel 021-32212382, 32212383, 32211516, Fax 021-32211515, Email khl@njmi.net

 **cpai** members of **ingiworldwide**



Company or to cease operations, or has no realistic alternative but to do so. Board of directors is responsible for overseeing the Company's financial reporting process.

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

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

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

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

A handwritten signature in black ink, appearing to be a stylized name, located at the bottom right of the page.

**NJMI**



**CPAAI**

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

**Report on Other Legal and Regulatory Requirements**

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

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

The engagement partner on the audit resulting in this independent auditor's report is Imran UI Haq.

Place: Islamabad

Date: *October 05, 2020*

  
Nasir Javaid Maqsood Imran  
Chartered Accountants

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

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	4	426,432	480,070
Investment property	5	1,745,844	1,837,730
Intangible assets	6	2,526,644	2,538,063
Long term deposits	7	500,000	500,000
Long term investment	8	43,091,363	43,091,363
		48,290,282	48,447,225
<b>CURRENT ASSETS</b>			
Account receivables	9	81,576	136,241
Short term investments	10	1,390,127	1,622,144
Withholding tax	11	-	191,977
Cash and bank balances	12	21,216,064	22,183,098
		22,687,767	24,133,459
<b>TOTAL ASSETS</b>		<b>70,978,049</b>	<b>72,580,684</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
3,500,000 ordinary shares of Rupees 10 each		35,000,000	35,000,000
<b>Issued, subscribed and paid up share capital</b>			
3,500,000 (2019: 3,500,000) ordinary shares of Rupees 10 each	13	35,000,000	35,000,000
<b>Capital reserve - Fair value reserve</b>		31,091,363	31,091,363
<b>Revenue reserve - Unappropriated profit/(loss)</b>		(858,877)	(3,400,411)
		65,232,486	62,690,952
<b>CURRENT LIABILITIES</b>			
Other payables	14	726,021	1,187,246
Payable to account holders	15	4,732,267	8,702,486
Tax liability		287,275	-
		5,745,563	9,889,732
<b>Contingencies and commitments</b>		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>70,978,049</b>	<b>72,580,684</b>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
Revenue	16	397,748	960,490
Direct Cost	17	<u>(230,965)</u>	<u>(249,572)</u>
Gross Profit		166,783	710,918
Unrealized gain / (loss) on remeasurement of investments at fair value through profit or loss - net		(232,017)	(604,899)
Dividend income		823,430	541,773
Administrative expenses	18	<u>(1,073,500)</u>	<u>(1,173,851)</u>
Operating profit/(loss)		(315,304)	(526,060)
Other income	19	<u>3,775,088</u>	<u>656,874</u>
<b>Profit before tax</b>		3,459,783	193,940
Taxation	11	(918,250)	(93,272)
<b>Net profit</b>		<u><u>2,541,534</u></u>	<u><u>100,668</u></u>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

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

	Note	2020 Rupees	2019 Rupees
<b>Net profit/(loss) for the year</b>		2,541,534	100,668
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to profit or loss</b>			
Loss on remeasurement of TREC transferred to TREC value reserve		-	-
transferred to unappropriated profit/(loss)		-	-
Other comprehensive (loss)		-	-
<b>Items that may not be reclassified to profit or loss</b>			
gain on remeasurement of ISE-REIT shares		-	12,745,333
<b>Total comprehensive (loss) for the year</b>		<b>2,541,534</b>	<b>12,846,001</b>

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



**CHIEF EXECUTIVE**




**DIRECTOR**

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

	Share capital	Capital Reserves	Revenue reserve	
	Issued subscribed & paid up	Fair value reserve	Un-appropriated profits/(loss)	Total
	-----Rupees-----			
Balance as at July 1, 2018	30,695,000	18,346,030	(3,501,079)	45,539,951
Shares issued	4,305,000	-	-	4,305,000
Net profit for the year	-	-	100,668	100,668
Other comprehensive income	-	12,745,333	-	12,745,333
<b>Balance as at June 30, 2019</b>	<b><u>35,000,000</u></b>	<b><u>31,091,363</u></b>	<b><u>(3,400,411)</u></b>	<b><u>62,690,952</u></b>
Balance as at July 1, 2019	35,000,000	31,091,363	(3,400,411)	62,690,952
Net profit for the year	-	-	2,541,534	2,541,534
Other comprehensive income	-	-	-	-
<b>Balance as at June 30, 2020</b>	<b><u>35,000,000</u></b>	<b><u>31,091,363</u></b>	<b><u>(858,877)</u></b>	<b><u>65,232,486</u></b>

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



CHIEF EXECUTIVE




DIRECTOR



**AAA SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) for the year before taxation		3,459,783	193,940
<b>Adjustments for non-cash charges and other items:</b>			
Unrealized (gain) on remeasurement of short term investment		232,017	604,899
Depreciation		156,943	171,135
Cash flows before working capital changes		3,848,743	969,975
<b>Working capital changes:</b>			
<b>(Increase)/decrease in current assets</b>			
Accounts receivables		54,665	10,267
<b>Increase/(decrease) in current liabilities</b>			
Payable to account holders		(3,970,219)	(15,869,219)
Trade and other payables		(461,225)	563,252
		(4,376,780)	(15,295,700)
Cash generated from operations		(528,036)	(14,325,725)
Taxes paid		(438,998)	(242,769)
<b>Net cash from/(used in) operating activities</b>		<b>(967,034)</b>	<b>(14,568,494)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		-	(13,000)
<b>Net cash from /(used in) investing activities</b>		<b>-</b>	<b>(13,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	4,305,000
<b>Net cash from /(used in) financing activities</b>		<b>-</b>	<b>4,305,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(967,034)</b>	<b>(10,276,494)</b>
Cash and cash equivalents at the beginning of the year		22,183,098	32,459,592
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b>21,216,064</b>	<b>22,183,098</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

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

**1 STATUS AND NATURE OF BUSINESS**

AAA Securities (Private) Limited is a private company limited by shares and incorporated in Pakistan under the Companies Act 2017 on June 23, 2004.

The company is engaged in stock brokerage business and registered as broker by SECP under Registration Number BRI - 60 dated September 27, 2004 and situated at 29-A, ISC Plaza 1st Floor, Jinnah Boulevard West, Sector A, DHA II, Islamabad.

**2 BASIS OF PREPARATION**

**2.1 Accounting Convention**

These accounts have been prepared under the historical cost convention without incorporating any adjustments of the effect of inflation or current values except for some investments and TREC the valuation basis of which are disclosed in relevant notes.

**2.2 Statement of Compliance**

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

**2.3 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with accounting and financial reporting standards requires the management to make judgments, estimates and assumptions that effect the reporting amounts of assets and liability and income and expenses. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- i) Useful lives, pattern of economic benefits and impairments
- ii) Taxation
- iii) Fair values of investments



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

**2.4 New and amended standards and interpretations**

**2.4.1 Standards that became effective and adopted:**

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases'
- IFRIC 23 Uncertainty over Income Tax Treatments.
- Annual Improvements to IFRS Standards 2015–2017 Cycle

All these amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

**2.4.2 Amendments to approved accounting standards that are effective for the Company's accounting periods beginning after July 1, 2020:**

There are certain new standards and amendments to the approved accounting standards which will be effective for the Company for annual periods beginning on or after July 1, 2019 but are considered not to be relevant or are expected to have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property and equipment**

**a) Cost**

Operating fixed assets are stated at cost less accumulated depreciation.

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 and maintenance costs are charged to income during the year / period in which they are incurred.

**b) Depreciation**

Depreciation is charged to income on reducing balance method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 4. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

**c) Derecognition**

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 statement in the year/period the asset is derecognized.



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

**3.2 Intangible assets**

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably. Trading Right Entitlement Certificate (TREC) which is granted by Pakistan Stock Exchange (PSX) in lieu of membership cards are valued initially at prescribed value by PSX.

**3.3 Investment properties**

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are stated at cost less accumulated depreciation and any recognized impairment loss.

**3.4 Impairment of non financial assets**

The carrying values of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss.

**3.5 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and cash at bank in current and saving accounts. It is carried in the balance sheet at book value which approximates its fair value.

**3.6 Taxation**

The charge for current taxation is based on taxable income at the current rates after taking into accounts the tax credits and tax rebates available.

**3.7 Settlement Date Accounting**

All "regular way" purchases and sales of financial assets are recognized on settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

**3.8 Revenue Recognition**

- Revenue is recognized as and when services are rendered;
- Capital gains or losses on sale of investments are recognized in statement of profit or loss for the period in which they arise.
- Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided.
- Dividend income is recognized when right to receive is established.
- Rental income is recognized on straight line basis

**3.9 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.



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

**3.10 Financial instruments**

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated initially at cost which is the fair value of consideration given or received. The financial assets are subsequently measured at fair value, amortized cost or cost as the case may be with classifications into i) at fair value through profit or loss (FVTPL), ii) at fair value through other comprehensive income (FVTOCI) and iii) at amortized cost. Subsequently:

**i) Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

**ii) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

**iii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

**3.10.1 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**3.10.2 Derecognition of financial instruments**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.



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

**3.11 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

**4 PROPERTY AND EQUIPMENT**

Particulars	Leasehold Building	Furniture & Fixture	Computer Equipment	Total
	RUPEES			
<b>Year ended June 30, 2019</b>				
Opening net book amount	1,934,453	502,129	23,041	2,459,623
Additions	-	-	13,000	13,000
Transfer to investment property	1,837,730	-	-	1,837,730
Depreciation charge	96,723	50,213	7,887	154,823
Closing net book amount	-	451,916	28,154	480,070
<b>As at June 30, 2019</b>				
Cost	-	1,313,250	327,750	1,641,000
Accumulated depreciation	-	861,334	299,596	1,160,930
Net book amount	-	451,916	28,154	480,070
<b>Year ended June 30, 2020</b>				
Opening net book amount	-	451,916	28,154	480,070
Additions	-	-	-	-
Disposal	-	-	-	-
Depreciation charge	-	45,192	8,446	53,638
Closing net book amount	-	406,724	19,708	426,432
<b>As at June 30, 2020</b>				
Cost	-	1,313,250	327,750	1,641,000
Accumulated depreciation	-	906,525	308,043	1,214,568
Net book amount	-	406,725	19,707	426,432
Rate of depreciation per annum (%)	5	10	30	

*[Handwritten Signature]*

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

	Note	Rupees 2020	Rupees 2019
<b>5 INVESTMENT PROPERTY- AT COST</b>			
Opening cost		1,837,730	-
Additions/deletions		-	1,837,730
Closing cost		1,837,730	1,837,730
Opening depreciation		-	-
Depreciation for the year		91,887	-
Closing depreciation		91,887	-
Written down value		<u>1,745,844</u>	<u>1,837,730</u>
Rate of depreciation		5%	5%

Particulars of investment property

Description	Address	Area
Commercial building Subleased	Office#709, 7th Floor, ISE Towers	1348 sq. feet

	Note	Rupees 2020	Rupees 2019
<b>6 INTANGIBLE ASSETS</b>			
Accounting software	6.1	26,644	38,063
Trading Right Entitlement Certificate	6.2	2,500,000	2,500,000
		<u>2,526,644</u>	<u>2,538,063</u>
<b>6.1 Accounting Software</b>			
Cost		75,000	75,000
Additions during the year		-	-
Amortization for the year		(11,419)	(16,313)
Accumulated amortization - opening		(36,938)	(20,625)
Net book value		<u>26,644</u>	<u>38,063</u>
Amortization rate		30%	30%

6.2 These represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges Corporatization, Demutualization and Integration Act, 2012 (The Act). The company has also received shares of ISE Towers REIT Management Company Limited after completion of the demutualization process. The notional value of TREC have been recorded at Rs. 2.5 million. For details, refer to SECP letter No. SMD/SE/2(57)/2002 dated November 9, 2017.



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

			Rupees 2020	Rupees 2019
<b>7</b>	<b>LONG TERM DEPOSITS</b>	<b>Note</b>		
	CDC		100,000	100,000
	PSX Clearing House		200,000	200,000
	NCCPL		200,000	200,000
			500,000	500,000
<b>8</b>	<b>LONG TERM INVESTMENT AT FAIR VALUE THROUGH OCI</b>			
	Shares in ISE Towers REIT Management Company Ltd.	8.1	43,091,363	43,091,363
<b>8.1</b>	<p>Pursuant to promulgation of the Stock Exchange (Corporatization, Demutualization and Integration Act), 2012 "Act" the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly the Company has received equity shares of ISE-REIT and Trading Right entitlement Certificate (TREC) in lieu of membership card of PSX. The company entitlement in respect of ISE-REIT shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and the Company has been allotted 3,034,603 shares of the face value of Rs. 10/- each. These include 60 % shares of ISE-REIT, held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange will dispose of these shares under the provisions of this Act, however the proceeds of these shares and right to dividend/bonus are vested with the company whereas voting rights attached to these shares are suspended.</p> <p>In absence of an active market for these shares, the company has taken has valued them at Rs. 14.2/share, which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. This fact indicates an acceptable level of value for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investors' interest.</p>			
<b>9</b>	<b>ACCOUNT RECEIVABLES</b>	<b>Note</b>	Rupees 2020	Rupees 2019
	Receivable from clients		81,576	136,241
			81,576	136,241
<b>10</b>	<b>SHORT TERM INVESTMENTS</b>			
	Investment at fair value through profit or loss:			
	Cost		2,227,043	2,227,043
	Unrealized gain/(loss)		(836,916)	(604,899)
	Investment in listed companies	10.1	1,390,127	1,622,144





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

10.1 This represent investment in:

30-Jun-20	
Name of security	No. of shares
AHCL	2,220
BOP	28,375
BWCL	575
EFERT	278
FATIMA	137
JOVC	9,900
NBP	11,526
NML	750
POL	1,200
PPL	2,310
PTC	400
SMBL	222

30-Jun-19	
Name of security	No. of shares
AHCL	2,220
BOP	28,375
BWCL	575
EFERT	278
FATIMA	137
JOVC	9,900
NBP	11,526
NML	750
POL	1,200
PPL	1,925
PTC	400
SMBL	222

**11 WITHHOLDING TAX**

Withholding tax opening balance	191,977	42,480
With held during the year	552,489	242,769
Taxation - current	(951,162)	(93,272)
- prior	-	-
	<u>(951,162)</u>	<u>(93,272)</u>
	<u>(206,696)</u>	<u>191,977</u>

11.1 Up to 2019, income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 (the Ordinance) unless selected by taxation authorities for audit purposes.

**11.2 Reconciliation of tax charge for the year**

Profit before taxation	<u>3,573,274</u>
Tax at the applicable tax rate of 29% (2019: 29%)	1,036,250
Tax effect of income under Presumptive Tax Regime	(115,280)
Tax effect of non-deductible expenses	30,193
	<u>951,162</u>

11.3 Reconciliation of tax charge for the year 2019 is not provided in purview of minimum tax.

**12 CASH AND BANK BALANCE**

	Rupees 2020	Rupees 2019
Cash in hand	31,455	916
Cash at bank on current accounts	8,599,523	22,182,182
Cash at bank on saving account	12.1 <u>12,585,086</u>	<u>-</u>
	<u>21,216,064</u>	<u>22,183,098</u>

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

**12.1 Rate of return on savings accounts**

The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 2.68% to 3.2% per annum.

13	<b>SHARE CAPITAL</b>	Note	Rupees 2020	Rupees 2019
	Issued, paid up and subscribed capital			
	Opening shares		3,500,000	3,069,500
	Issued shares for cash during the year		-	430,500
	Closing shares		<u>3,500,000</u>	<u>3,500,000</u>
<b>14</b>	<b>OTHER PAYABLES</b>			
	Audit fee		200,000	188,000
	Payable to Director		450,000	450,000
	Bills payable		60,696	64,756
	FED payable		8,938	4,490
	Capital Value Tax payable		6,388	
	Security deposit	14.1	-	480,000
			<u>726,021</u>	<u>1,187,246</u>

**14.1** This security deposit is utilizable for company as per the terms of contract. However it has not been kept in special bank account.

**15 PAYABLE TO ACCOUNT HOLDER**

Payable to regular account holders	4,732,267	8,702,486
	<u>4,732,267</u>	<u>8,702,486</u>

**16 REVENUE**

Brokerage commission	397,748	960,490
	<u>397,748</u>	<u>960,490</u>

17	<b>DIRECT COST</b>	Note	Rupees 2020	Rupees 2019
	NCSS charges		47,051	52,378
	CDC charges		-	6,021
	Depreciation and amortization		156,943	171,135
	PSX fee		10,000	10,000
	Telephone		16,971	10,038
			<u>230,965</u>	<u>249,572</u>

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

**18 ADMINISTRATIVE EXPENSES**

Electricity	59,970	56,093
Telephone	39,599	23,422
News papers & periodicals	-	5,450
Service charges	16,719	392,839
Miscellaneous expenses	138,253	152,950
Audit fee	200,000	188,000
Bank charges	1,118	1,260
Fee and taxes	130,106	157,533
Property tax	16,335	44,304
Rent Office	423,800	152,000
DHA Utilities charges	47,600	-
	<u>1,073,500</u>	<u>1,173,851</u>

**19 OTHER INCOME**

**Income from financial assets:**

Interest Income 1,108,579

**Income from non-financial assets:**

Rental Income 720,000

3,888,579 720,000

**20 BALANCES OF NET CAPITAL AND LIQUID CAPITAL**

Net capital balance - as per Annexure A 16,935,740 13,779,807

Liquid capital balance - as per Annexure B 16,911,649 13,714,714

**21 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

**21.1 Financial assets as per balance sheet**

	At Ammortized Cost		At Fair Value Through Profit & Loss		At Fair Value Through Other Comprehensive Income	
	2020	2019	2020	2019	2020	2019
Long term deposits	500,000	500,000	-	-	-	-
Long term investment	-	-	-	-	43,091,363	43,091,363
Short term Investments	-	-	1,390,127	1,622,144	-	-
Receivable from clients	81,576	136,241	-	-	-	-
Cash and bank balances	21,216,064	22,183,098	-	-	-	-
	<u>21,797,640</u>	<u>22,819,338</u>	<u>1,390,127</u>	<u>1,622,144</u>	<u>43,091,363</u>	<u>43,091,363</u>

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

**21.2 Financial liabilities as per balance sheet**

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	2020	2019	2020	2019
Other payables	726,021	1,187,246	-	-
Payable to account holders	4,732,267	8,702,486	-	-
	<u>5,458,288</u>	<u>9,889,732</u>	<u>-</u>	<u>-</u>

**21.3 Financial risk management objectives and policies**

The companies activities expose it to a variety of financial risk: capital risk, credit risk, liquidity risk and market risk (including foreign exchange or currency risk, interest/markup rate risk and price risk). The company's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on financial performance. Overall, risk arising from the company's financial assets and liabilities are limited.

**a) Capital risk management**

The company's policy is to maintain a strong capital base so as to maintain investor, credit and market confidence and to sustain future development of the business. Additionally, to safeguard the companies ability to continue as a going concern in order to provide returns to share holders and benefit for others stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There were no changes to the company's approach to capital management during the year and the company is not subject to externally imposed capital requirements.

**b) Concentration of 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. All financial assets except cash in hand, are subject to credit risk. The company believes that it is not exposed to major concentration of credit risk.

**c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash. The company finances its operations through equity borrowing and the managements of working capital with a view to maintain an appropriate mix between various source of finance to minimize risk. The company's treasury aims at maintaining flexibility in funding by keeping regular commitment from management. Management closely monitors the company's liquidity and cash flow position.

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

**d) Market risk**

Market risk means that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks; foreign exchange or currency risk, interest/mark-up rate risk and price risk. The market risk associated with the company's business activities are discussed as under.

**- Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the company did no transaction in foreign currencies nor have any foreign currency loans.

**- Interest / mark-up rate risk**

Interest/mark-up rate risk is the risk that the value of financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest/mark-up rates arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company is exposed to such risk only in respect of saving bank account.

**- Price risk**

Price risk represents the risk that fair value of future cash flow of financial instrument will fluctuate because of changes in market price (other than those arising from interest mark-up rate risk of currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trade in the market. The company is exposed to equity price in respect of short term investments.

**e) Fair value of the financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

**21.4 Recognized fair value measurement - financial assets**

**(i) Fair value hierarchy**

Judgments and estimates are made for financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial assets into the following three levels:

	(Rupees)		
	Level 1	Level 2	Level 3
<b>As at June 30, 2020</b>			
Long term investment			43,091,363
Short term investments	1,390,127		
<b>Total</b>	<b>1,390,127</b>	-	<b>43,091,363</b>
<b>As at June 30, 2019</b>			
Long term investment			43,091,363
Short term investments	1,622,144		
<b>Total</b>	<b>1,622,144</b>	-	<b>43,091,363</b>

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

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of assets and liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There was no transfer between any level during the year.

		Rupees 2020	Rupees 2019
<b>22</b>	<b>RELATED PARTY TRANSACTIONS</b>		
	Cash received from director - Arshad Saeed Malik	-	-
	Shares issued for cash to director - Arshad Saeed Malik	-	3,183,000
	Shares issued for cash to director - Asif Saeed Malik	-	841,500
	Shares issued for cash to director - Hammad Saeed Malik	-	280,500
	Repaid to director - Arshad Saeed Malik	-	-
		-	4,305,000
<b>23</b>	<b>Information required by regulation 34 of Securities Broker Regulations 2016</b>	<b>2020</b>	<b>2019</b>
a)	- Customer shares in the central depository system	2,958,699	3,149,648
	- Customer's cash in bank account - PKR	7,946,392	11,390,170
b)	Securities pledged with financial institutions	Nil	Nil
c)	<b>Pattern of shares:</b>		
	Hammad Saeed Malik	228,050	228,050
	Arshad saeed malik	2,587,799	2,587,799
	Asif saeed malik	684,151	684,151
	Total no of shares	3,500,000	3,500,000
d)	<b>Changes in shareholding:</b>		
	Shares issued during the year to Arshad Saeed Malik	-	318,300
	Shares issued during the year to Asif Saeed Malik	-	84,150
	Shares issued during the year to Hammad Saeed Malik	-	28,050
e)	Trade and 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 statement of profit or loss.		
f)	<b>Aging analysis of amount due from customers</b>		
	Due not more than 5 days - PKR	-	-
	Due more than 5 days - PKR	81,576	136,241

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

24 CAPITAL ADEQUACY LEVEL	2020 Rupees	2019 Rupees
Total Assets	70,978,049	72,580,684
Less: Total Liabilities	(5,664,984)	(9,889,732)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	<u>65,313,064</u>	<u>62,690,952</u>

While determining the value of total assets of TREC Holder, Notional Value of the TREC certificate held by AAA Securities (Private) Limited as at year ended 30 June 2020 as determined by Pakistan Stock Exchange has been considered.

25 NUMBER OF EMPLOYEES	Nil	Nil
------------------------	-----	-----

**25 IMPACT OF COVID-19**

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but also has adversely impacted the global economy. In March, 2020, the Government of the Pakistan announced a Temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company Reduced its operational activities from March 23, 2020. The Lockdown was subsequently relaxed from end of May, 2020. Company resumed its operations at full from June 1, 2020 and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. Due to this, management has assessed the accounting implications of this developments on these financial statements, including but not limited to the following areas: -going concern assumption used for the preparation of these financial statements. According to management 's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

Going concern assumption is used for the preparation of these financial statements.

According to management 's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

**26 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 05, 2020 by the Board of Directors of the Company.

**27 GENERAL**

Figures have been rounded off to the nearest Rupee.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**AAA Securities (Private) Limited  
Statement of Net Capital Balance  
As at June 30, 2020**

**Annexure A**

<b>CURRENT ASSETS</b>	<b>Note</b>	<b>30-Jun-20 Rupees</b>
<b><i>Cash and bank balances:</i></b>		
Cash in hand	1	31,455
Cash at bank	1	21,184,609
<b>Total cash and bank balances</b>		<b>21,216,064</b>
<b><i>Accounts Receivables and other assets:</i></b>		
Accounts receivables	2	3,053
Investment in listed securities in the name of broker	3	1,181,608
<b>Total Accounts receivables and other assets</b>		<b>1,184,661</b>
<b>Total Current Assets</b>		<b>22,400,725</b>
<b>CURRENT LAIBILITIES</b>		
Accounts payable due in 30 days	4	1,795,474
Other liabilities	5	3,669,511
<b>Total Current Liabilities</b>		<b>5,464,985</b>
<b>Net Capital Balance as at June 30, 2020</b>		<b>16,935,740</b>

"Read with annexed notes"





**AAA Securities (Private) Limited**  
**Notes to Statement of Net Capital Balance**  
**As at June 30, 2020**

	Note	30-Jun-20 (Rupees)
<b>1 Cash and bank balances</b>		
Cash and bank balances have been taken as per book value.		
		31,455
<b>Cash at bank:</b>		
Bank balance pertaining to AAA Securities (Private) Limited		13,238,217
Bank balance pertaining to clients		7,946,392
<b>Total bank balance</b>		<b>21,184,609</b>
<b>2 Accounts Receivable</b>		
<b>Aging and break-up of of accounts receivables:</b>		
Total receivables		81,576
Less: Outstanding from more than 14 days		78,523
<b>Balance generated within 14 days and/or not yet due</b>		<b>3,053</b>
<b>3 Investment in listed securities in the name of broker</b>		
Market value		1,390,127
Discount ( 15% of market value)		(208,519)
<b>Net Value</b>		<b>1,181,608</b>
<b>4 Accounts Payables</b>		
Total accounts payables		4,732,268
Less: Accounts payables over due for more than 30 days		2,936,794
<b>Accounts payables due in 30 days</b>		<b>1,795,474</b>
<b>5 Other Liabilities</b>		
Accrued and other liabilities		732,717
Accounts payable		2,936,794
		<b>3,669,511</b>



## AAA SECURITIES (PRIVATE) LIMITED

## NET LIQUID CAPITAL

As at June 30, 2020

S. No.	Head of Account	Value in Pak Rupees-BS VALUE	Hair Cut / Adjustments/Notes	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	2,317,800	100%	-
1.2	Intangible Assets	2,538,063	100%	-
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	-	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%	-
	<b>If unlisted than:</b>			
	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%	-
	<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.	1,390,127	Note 4.1	1,181,608
	ii. If unlisted, 100% of carrying value.	30,346,030	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	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity	500,000	100%	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments		100%	-
1.12	Receivables other than trade receivables	-	100%	-
	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	-	100.00%	-
1.14	Dividends receivables	-	-	-
	Amounts receivable against Repo financing.			
1.15	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the Investments.)	-	-	-
1.16	Receivables other than trade receivables	-	100.00%	-
	<b>Receivables from clearing house or securities exchange(s)</b>			
1.7	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	100%	-
	<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. <b>i. Lower of net balance sheet value or value determined through adjustments.</b>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <b>ii. Net amount after deducting haircut</b>	-	5.00%	-

	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>	-	-	-
	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>	-	-	-
	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 value or value determined through adjustments</i>	-	-	-
	vi. <i>100% haircut in the case of amount receivable from related parties.</i>	-	100.00%	-
	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>	-	-	-
18	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 value or value determined through adjustments</i>	-	NOTE 4.2	-
	<b>Cash and Bank balances</b>			
19	i Bank Balance-proprietary accounts	13,238,217	-	13,238,217
	ii Bank balance-customer accounts	7,946,392	-	7,946,392
	iii Cash in hand	31,455	-	31,455
	<b>Total Assets</b>	<b>58,308,084</b>		<b>22,397,672</b>

**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	4,732,268	-	4,732,268
2.2	<b>Current Liabilities</b>			
	i Statutory and regulatory dues	-	-	-
	ii Accruals and other payables	732,717	-	732,717
	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-Net	-	-	-
ix Other liabilities as per accounting principles and included in the financial statements	-	-	-	
2.3	<b>Non-Current Liabilities</b>			
	i Long-Term financing	-	-	-
	ii Staff retirement benefits	-	-	-
	iii Other liabilities as per accounting principles and included in the financial statements	-	-	-
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>Total Liabilities</b>	<b>5,464,985</b>		<b>5,464,985</b>

**3. Ranking Liabilities Relating to :**

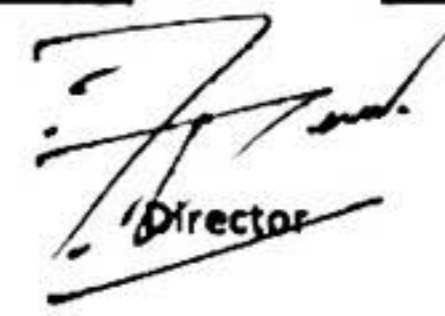
3.1	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b>			
	The amount 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	-	-	-
3.3	<b>Net underwriting Commitments</b>			
	<u>(a) in the case of right issue :</u> if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	<u>(b) In any other case :</u> 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.	-	-	-

<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		21,038	21,038
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	-	-	-
	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. 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>	-	<b>21,038</b>	<b>21,038</b>

52,843,099      Liquid Capital      16,911,649



Chief Executive Officer



Director

