



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, 2021 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, 2021 and of the profit 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:

3rd Floor, Pace Tower, Plot No. 27, Block "H" , Gulberg 2 Lahore
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. I.I Chundrigar Road.
Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515, Email: khi@njmi.net

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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.

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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

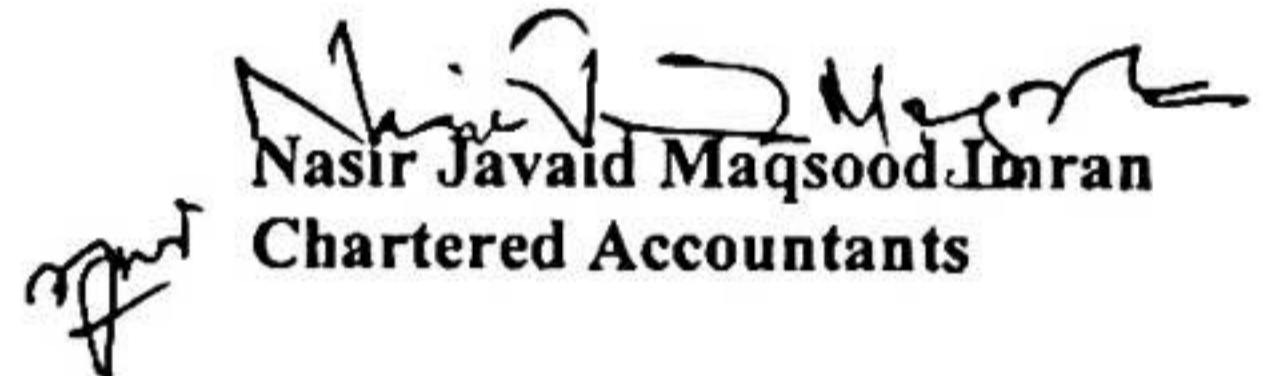
Based on our audit, we further report that in our opinion:

- 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 Ul Haq.

Place: Islamabad

Date: 06 - October 2021


Nasir Javaid Maqsood Imran
Chartered Accountants

AAA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	2021	2020
	Rupees	Restated Rupees
ASSETS		
NON - CURRENT ASSETS	-	
Property and equipment	4 379,847	426,432
Investment property	5 1,658,551	1,745,844
Intangible assets	6 2,518,651	2,526,644
Long term deposits	7 500,000	500,000
Long term investment	8 47,097,039	43,091,363
	52,154,088	48,290,282
CURRENT ASSETS		
Account receivables	9 1,274,837	81,576
Short term investments	10 1,613,508	1,390,127
Withholding tax	11 -	-
Cash and bank balances	12 21,056,377	21,216,064
	23,944,721	22,687,767
TOTAL ASSETS	<u>76,098,809</u>	<u>70,978,050</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
3,500,000 ordinary shares of Rupees 10 each	<u>35,000,000</u>	<u>35,000,000</u>
Issued, subscribed and paid up share capital		
3,500,000 (2020: 3,500,000) ordinary shares of Rupees 10 each	13 35,000,000	35,000,000
Capital reserve - Fair value reserve	-	-
Revenue reserve - Unappropriated profit/(loss)	36,866,433	30,313,064
	71,866,433	65,313,064
CURRENT LIABILITIES		
Other payables	14 1,672,286	726,021
Payable to account holders	15 2,384,929	4,732,267
Tax liability	175,160	206,696
	4,232,376	5,664,985
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	<u>76,098,809</u>	<u>70,978,050</u>

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, 2021

	Note	2021 Rupees	2020 Rupees
Revenue	16	1,039,995	397,748
Direct Cost	17	<u>(268,813)</u>	<u>(230,965)</u>
Gross Profit		771,182	166,783
Unrealized gain / (loss) on remeasurement of investments at fair value through profit or loss - net		4,229,057	(232,017)
Dividend income		1,112,150	823,430
Administrative expenses	18	<u>(1,668,606)</u>	<u>(1,073,500)</u>
Operating profit/(loss)		4,443,783	(315,304)
Other income	19	<u>2,795,454</u>	<u>3,888,579</u>
Profit before tax		7,239,237	3,573,274
Taxation	11	<u>(685,868)</u>	<u>(951,162)</u>
Net profit		<u><u>6,553,369</u></u>	<u><u>2,622,112</u></u>

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, 2021

	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
Balance as at June 30, 2019-previously Reported	35,000,000	31,091,363	(3,400,411)	62,690,952
Restated Balance as at July 1, 2019	35,000,000		27,690,952	62,690,952
Net profit for the year		-	2,622,112	2,622,112
Other comprehensive income	-	-	-	-
Balance as at June 30, 2020	35,000,000	-	30,313,064	65,313,064
Balance as at July 1, 2020	35,000,000	-	30,313,064	65,313,064
Net profit for the year	-	-	6,553,369	6,553,369
Other comprehensive income	-	-	-	-
Balance as at June 30, 2021	35,000,000	-	36,866,433	71,866,433

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, 2021

	Note	2021 Rupees	2020 Rupees
Net profit/(loss) for the year		6,553,369	2,622,112
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Loss on remeasurement of TREC transferred to TREC value reserve		-	-
transferred to unappropriated profit/(loss)		-	-
Other comprehensive (loss)		-	-
Items that may not be reclassified to profit or loss			
gain on remeasurement of ISE-REIT shares		-	-
Total comprehensive income for the year		6,553,369	2,622,112

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, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before taxation		7,239,237	3,573,274
Adjustments for non-cash charges and other items:			
Unrealized (gain) on remeasurement of short term investment		(4,229,057)	232,017
Depreciation		141,870	156,943
Cash flows before working capital changes		3,152,050	3,962,234
Working capital changes:			
(Increase)/decrease in current assets			
Accounts receivables		(1,193,261)	54,665
Increase/(decrease) in current liabilities			
Payable to account holders		(2,347,338)	(3,970,219)
Trade and other payables		946,265	(461,225)
		(2,594,334)	(4,376,779)
Cash generated from operations		557,717	(414,544)
Taxes paid		(717,404)	(552,489)
Net cash from/(used in) operating activities		(159,687)	(967,033)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		-	-
Net cash from /(used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Net cash from /(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(159,687)	(967,033)
Cash and cash equivalents at the beginning of the year		21,216,064	22,183,098
Cash and cash equivalents at the end of the year	12	21,056,377	21,216,064

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, 2021

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) for SMEs 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 Change in Accounting Policies

The Company has changed its financial reporting framework from International Financial Reporting Standard (IFRS) to IFRS for Small and Medium sized entities notified by SECP because the company is no longer Public Interest Company (PIC) as per amendment made in 3rd Schedule of Companies Act 2017, So the requirement to prepare Financial Statements as per IFRS is not mandatory. Moreover, management assessed that it is unnecessary for the users of these financial statements to prepare as per IFRS. The change in the accounting framework have not impacted the Company's accounting policies except relating to the long term investment at fair value through OCI. Accordingly, the accounting policies of the Long term investment at fair value through OCI has been changed and applied retrospectively as follows.

Statement of Financial Position & Statement of Changes in Equity

Retrospective Impact of change in accounting policy

	As at July 1, 2019		
	As previously reported on June 30, 2019	Adjustments Increase/(Decrease)	As restated on July 01, 2019
	Rupees		
Fair Value Reserve through OCI	31,091,363	(31,091,363)	-
Unappropriated Profit/Loss	(3,400,411)	31,091,363	27,690,952

2.4 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, 2021

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.

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, 2021

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) and ii) at amortized cost. Subsequently:

i) 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.

ii) 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 Statement of Profit or loss. Currently, there are no financial liabilities designated at FVTPL.

3.10.1 Impairment of financial assets

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

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.

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			
Year ended June 30, 2020				
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
As at June 30, 2020				
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
Year ended June 30, 2021				
Opening net book amount	-	406,725	19,707	426,432
Additions	-	-	-	-
Disposal	-	-	-	-
Depreciation charge	-	40,672	5,912	46,585
Closing net book amount	-	366,052	13,795	379,847
As at June 30, 2021				
Cost	-	1,313,250	327,750	1,641,000
Accumulated depreciation	-	947,198	313,955	1,261,153
Net book amount	-	366,052	13,795	379,847
Rate of depreciation per annum (%)	5	10	30	

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AAA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	Rupees 2021
5 INVESTMENT PROPERTY- AT COST		
Cost		2,500,000
Accumulated depreciation and impairment		(754,157)
Opening Net Book Value		1,745,844
Additions		-
Disposals - carrying amount		-
Depreciation charge for the year		(87,292)
Transfer (to)/from property, plant and equipment		-
Transfer (to)/from investment property at fair value		-
(Impairment)/Reversal of impairment		-
Carrying amount as at June 30, 2021		1,658,551
The carrying amount as at June 30, 2021 is aggregate of:		
Cost / Revalued amount		2,500,000
Accumulated depreciation and impairment		(841,449)
Rate of depreciation (%)		5%

Particulars of investment property

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

	Note	Rupees 2021	Rupees 2020
6 INTANGIBLE ASSETS			
Accounting software	6.1	18,651	26,644
Trading Right Entitlement Certificate	6.2	2,500,000	2,500,000
		2,518,651	2,526,644

6.1 Accounting Software			
Cost		75,000	75,000
Additions during the year		-	-
Amortization for the year		(7,993)	(11,419)
Accumulated amortization - opening		(48,356)	(36,938)
Net book value		18,651	26,644
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.

	Note	Rupees 2021	Rupees 2020
7 LONG TERM DEPOSITS			
CDC		100,000	100,000
PSX Clearing House		200,000	200,000
NCCPL		200,000	200,000
		500,000	500,000

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AAA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	Rupees 2021	Rupees 2020
8 LONG TERM INVESTMENT AT FAIR VALUE THROUGH OCI			
Shares in ISE Towers REIT Management Company Ltd.	8.1	<u>47,097,039</u>	<u>43,091,363</u>

8.1 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.

In absence of an active market for these shares, the company has taken has valued them at Rs. 15.52/share (2020: 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.

9 ACCOUNT RECEIVABLES	Note	Rupees 2021	Rupees 2020
Receivable from clients		<u>1,274,837</u>	<u>81,576</u>
		<u>1,274,837</u>	<u>81,576</u>

10 SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss:			
Cost		2,227,043	2,227,043
Unrealized gain/(loss)		<u>(613,535)</u>	<u>(836,916)</u>
Investment in listed companies	10.1	<u>1,613,508</u>	<u>1,390,127</u>

10.1 This represent investment in:

30-Jun-21		30-Jun-20	
Name of security	No. of shares	Name of security	No. of shares
AHCL	2,220	AHCL	2,220
BOP	28,375	BOP	28,375
BWCL	575	BWCL	575
EFERT	278	EFERT	278
FATIMA	137	FATIMA	137
JOVC	9,900	JOVC	9,900
NBP	11,526	NBP	11,526
NML	750	NML	750
POL	1,200	POL	1,200
PPL	2,310	PPL	2,310
PTC	400	PTC	400
SMBL	222	SMBL	222

11 WITHHOLDING TAX			
Withholding tax opening balance		(206,696)	191,977
With held/Paid during the year		717,404	552,489
Taxation - current		<u>(685,868)</u>	<u>(951,162)</u>
- prior		-	-
		<u>(685,868)</u>	<u>(951,162)</u>
		<u>(175,160)</u>	<u>(206,696)</u>

11.2 Reconciliation of tax charge for the year			
Profit before taxation		<u>7,239,237</u>	<u>2,006,609</u>
Tax at the applicable tax rate of 29% (2020: 29%)		2,099,379	581,917
Tax effect of income under Presumptive Tax Regime		(155,701)	(115,280)
Tax effect of non-deductible expenses		<u>(1,257,810)</u>	<u>484,525</u>
		<u>685,868</u>	<u>951,162</u>

AAA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

			Rupees 2021	Rupees 2020
12 CASH AND BANK BALANCE	Note			
Cash in hand			38,923	31,455
Cash at bank on current accounts			6,305,782	8,599,523
Cash at bank on saving account	12.1		<u>14,711,672</u>	<u>12,585,086</u>
			<u><u>21,056,377</u></u>	<u><u>21,216,064</u></u>
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 SHARE CAPITAL	Note		Rupees 2021	Rupees 2020
Issued, paid up and subscribed capital				
Opening shares			3,500,000	3,500,000
Issued shares for cash during the year			-	-
Closing shares			<u><u>3,500,000</u></u>	<u><u>3,500,000</u></u>
14 OTHER PAYABLES				
Audit fee			200,000	200,000
Payable to Director			450,000	450,000
Bills payable			-	60,696
FED payable			15,899	8,938
Advance Rent			500,000	-
Capital Value Tax payable			6,388	6,388
Security deposit	14.1		<u>500,000</u>	-
			<u><u>1,672,286</u></u>	<u><u>726,021</u></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	Note		Rupees 2021	Rupees 2020
Payable to regular account holders			<u>2,384,929</u>	<u>4,732,267</u>
			<u><u>2,384,929</u></u>	<u><u>4,732,267</u></u>
16 REVENUE				
Brokerage commission			<u>1,039,995</u>	<u>397,748</u>
			<u><u>1,039,995</u></u>	<u><u>397,748</u></u>
17 DIRECT COST				
NCSS charges			53,075	47,051
CDC charges			4,200	-
Depreciation and amortization			141,870	156,943
PSX fee			50,000	10,000
Telephone			19,668	16,971
			<u><u>268,813</u></u>	<u><u>230,965</u></u>
18 ADMINISTRATIVE EXPENSES				
Electricity			71,654	59,970
Telephone			45,893	39,599
Insurance Exp			13,073	-
Service charges			108,001	16,719
Miscellaneous expenses			558,940	138,253
Audit fee			230,000	200,000
Bank charges			2,924	1,118
Fee and taxes			131,521	130,106
Property tax			-	16,335
Rent Office			467,800	423,800
DHA Utilities charges			38,800	47,600
			<u><u>1,668,606</u></u>	<u><u>1,073,500</u></u>

Signature

AAA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	Rupees 2021	Rupees 2020
19 OTHER INCOME			
Income from financial assets:			
Interest Income		795,454	1,108,579
Income from non-financial assets:			
Rental Income		<u>2,000,000</u>	<u>2,780,000</u>
		<u>2,795,454</u>	<u>3,888,579</u>
20 BALANCES OF NET CAPITAL AND LIQUID CAPITAL			
Net capital balance - as per Annexure A		<u>18,193,436</u>	<u>16,935,740</u>
Liquid capital balance - as per Annexure B		<u>18,145,810</u>	<u>16,911,649</u>

21 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 Financial assets as per balance sheet

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	2021	2020	2021	2020
Long term deposits	500,000	500,000	-	-
Long term investment	-	-	47,097,039	43,091,363
Short term Investments	-	-	1,613,508	1,390,127
Receivable from clients	1,274,837	81,576	-	-
Cash and bank balances	<u>21,056,377</u>	<u>21,216,064</u>	-	-
	<u>22,831,213</u>	<u>21,797,640</u>	<u>48,710,546</u>	<u>44,481,490</u>

21.2 Financial liabilities as per balance sheet

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	2021	2020	2021	2020
Other payables	1,672,286	726,021	-	-
Payable to account holders	<u>2,384,929</u>	<u>4,732,267</u>	-	-
	<u>4,057,216</u>	<u>5,458,289</u>	-	-

22 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year

23 Information required by regulation 34 of Securities Broker Regulations 2016

	2021	2020
a) - Customer shares in the central depository system	3,021,161	2,958,699
- Customer's cash in bank account - PKR	5,621,140	7,946,392
b) Securities pledged with financial institutions	Nil	Nil
c) Pattern of shares:		
Hammad Saeed Malik	<u>228,050</u>	<u>228,050</u>
Arshad saeed malik	<u>2,587,799</u>	<u>2,587,799</u>
Asif saeed malik	<u>684,151</u>	<u>684,151</u>
Total no of shares	3,500,000	3,500,000
d) Changes in shareholding:		
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) Aging analysis of amount due from customers		
Due not more than 5 days - PKR	-	-
Due more than 5 days - PKR	1,274,837	81,576

AAA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

24 CAPITAL ADEQUACY LEVEL	2021 Rupees	2020 Rupees
Total Assets	76,098,809	70,970,056
Less: Total Liabilities	(4,232,376)	(6,065,645)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	<u>71,866,433</u>	<u>65,313,064</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 2021 as determined by Pakistan Stock Exchange has been considered.

25 NUMBER OF EMPLOYEES Nil Nil

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 06-October-21 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, 2021

Annexure A

30-Jun-21
Rupees

CURRENT ASSETS

Note

Cash and bank balances:

Cash in hand	1	38,923
Cash at bank	1	21,017,454
Total cash and bank balances		21,056,377

Accounts Receivables and other assets:

Accounts receivables	2	-
Investment in listed securities in the name of broker	3	1,371,482
Total Accounts receivables and other assets		1,371,482

Total Current Assets		22,427,858
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CURRENT LAIBILITIES

Accounts payable due in 30 days	4	1,393,070
Other liabilities	5	2,841,352
Total Current Liabilities		4,234,422

Net Capital Balance as at June 30, 2021		18,193,436
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"Read with annexed notes"





AAA Securities (Private) Limited
Notes to Statement of Net Capital Balance
As at June 30, 2021

	Note	30-Jun-21 (Rupees)
1 Cash and bank balances		
Cash and bank balances have been taken as per book value.		
Cash in hand		38,923
Cash at bank:		
Bank balance pertaining to AAA Securities (Private) Limited		15,396,313
Bank balance pertaining to clients		5,621,140
Total bank balance		21,017,454
2 Accounts Receivable		
<i>Aging and break-up of accounts receivables:</i>		
Total receivables		1,274,837
Less: Outstanding from more than 14 days		1,274,837
Balance generated within 14 days and/or not yet due		-
3 Investment in listed securities in the name of broker		
Market value		1,613,508
Discount (15% of market value)		(242,026)
Net Value		1,371,482
4 Accounts Payables		
Total accounts payables		2,384,929
Less: Accounts payables over due for more than 30 days		991,859
Accounts payables due in 30 days		1,393,070
5 Other Liabilities		
Accrued and other liabilities		1,849,493
Accounts payable		991,859
		2,841,352

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AAA SECURITIES (PRIVATE) LIMITED
NET LIQUID CAPITAL
As at June 30, 2021

S. No.	Head of Account	Value in Pak Rupees-BS VALUE	Hair Cut / Adjustments/Notes	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,038,399	100%	-
1.2	Intangible Assets	2,518,651	100%	-
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%	-
1.4	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			
1.5	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.	1,613,508	Note 4.1	1,368,563
	ii. If unlisted, 100% of carrying value.	30,346,030	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
	Investment in associated companies/undertaking			
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.	-	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)	-	-	-
1.13	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. (<i>Securities purchased under repo arrangement shall not be included in the Investments.</i>)	-	-	-
1.16	Receivables other than trade receivables	-	100.00%	-
	Receivables from clearing house or securities exchange(s)			
1.7	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	100%	-
	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%	-
	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. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	-	-	-
	v. Incase 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. 100% haircut in the case of amount receivable form related parties.	-	100.00%	-
1.8	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	-	-	-
	v. Incase 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>	-	-	-
1.9	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	15,396,313	-	15,396,313
	ii. Bank balance-customer accounts	5,621,140	-	5,621,140
	iii. Cash In hand	38,923	-	38,923
	Total Assets	58,072,964		22,424,939

2. Liabilities

2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	2,384,929	-	2,384,929
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	1,849,493	-	1,849,493
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portlon 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	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			
	100% of Subordinated loans which fulfill the conditlons specified by SECP are allowed to be deducted	-	-	-
2.5	Total Liabllites	4,234,422		4,234,422

3. 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 financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
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	-	-	-

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Net underwriting Commitments				
3.3	(a) In the case of right issue : 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	-	-	-
	(b) In any other case : 12.5% of the net underwriting commitments	-	-	-
Negative equity of subsidiary				
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	-	-	-
Foreign exchange agreements and foreign currency positions				
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurrency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
Repo adjustment				
3.7	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.	-	-	-
Concentrated proprietary positions				
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		44,707	44,707
3.9	i. In case of customer positions, the total margin requirements in respect of open postions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applylong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
Short sell positions				
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	Total Ranking Liabilities	-	44,707	44,707

53,838,542 Liquid Capital 18,145,810


Chief Executive Officer


Director