



INDEPENDENT AUDITORS REPORT ON STATEMENT OF LIQUID CAPITAL

To the Chief Executive Officer of AAA SECURITIES (PRIVATE) LIMITED

Opinion

We have audited the Statement of Liquid Capital ('the statement') of AAA SECURITIES (PRIVATE) LIMITED ('the securities broker') as at 31 December, 2023.

In our opinion, the financial information in the statement of the Securities Broker as at 31 December, 2023 is prepared, in all material respects, in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP).

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 statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is 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 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 this statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.

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

Dated: 14/03/24

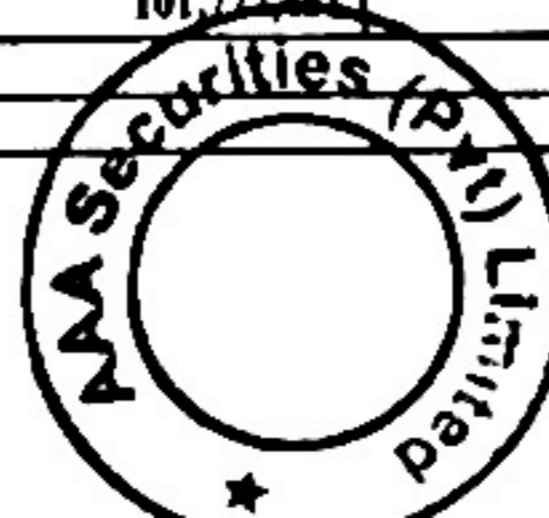
Place: Islamabad


Nasir Javaid Maqsood Imran

Chartered Accountants

AAA SECURITIES (PVT) LTD
LIQUID CAPITAL
AS AT DECEMBER 31, 2023

Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets			
11 Property & Equipment	1,800,104	100%	-
12 Intangible Assets	2,509,139	100%	-
13 Investment in Govt securities between book value and sale value on the date on the basis of PKRV published by NIFT	Difference		-
14 Investment in debt securities			-
If Listed then			-
i 5% of the balance sheet value in the case of tenure up to 1 year			-
ii 7.5% of the balance sheet value, in the case of tenure from 1-3 years			-
iii 10% of the balance sheet value, in the case of tenure of more than 3 years			-
If Unlisted then			-
i 10% of the balance sheet value in the case of tenure up to 1 year			-
ii 12.5% of the balance sheet value, in the case of tenure from 1-3 years			-
iii 15% of the balance sheet value, in the case of tenure of more than 3 years			-
15 Investment in equity securities	1,656,557	248,483	1,408,073
i If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital)			-
ii If unlisted, 100% of carrying value	62,391,438	100%	-
16 Investment in subsidiaries			-
17 Investment in associated companies/undertaking (Net amount after deducting provisions and haircuts)			-
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			-
18 Statutory or regulatory deposits/ basic deposits with exchanges, clearing house or central depository or any other entity "100% of net value, (however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC]" Nil, [or any excess cash amount.]	500,000	100%	-
19 Margin deposits with exchange and clearing house			-
110 Deposit with authorized intermediary against borrowed securities under SLB		100%	-
111 Other deposits and prepayments			-
112 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"			-
113 i No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months			-
114 Amount receivable against Repo financing Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments			-
115 Advances and Receivables other than trade receivables			-
1 No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months			-
2 No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation			-
3 In all other cases, 100% of net value			-
116 Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MiM gains (Lower of net balance sheet value or value determined through adjustments)			-
117 Receivables from customers			-
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,		i. Lower of net balance sheet value or value determined through adjustments	-
(ii) cash deposited as collateral by the financee		ii. Net amount after deducting haircut	-
(iii) market value of any securities deposited as collateral after applying VaR based haircut		iii. Net amount after deducting haircut	-
ii In case receivables are against margin trading, 5% of the net balance sheet value			-
iii In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			-
iv In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	15,000	iv Balance sheet value	15,000
v In case of other trade receivables are overdue, or 5 days or more, the aggregate of	867,025	v Lower of net balance sheet value or value determined through adjustments	539,184
(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			-
vi In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner		vi. 143 [Lower of net balance sheet values or values determined through adjustments]	-
a Up to 30 days, values determined after applying VaR based haircuts,			-
b Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher,			-
c Above 90 days, 100% haircut shall be applicable.]			-
118 Cash and bank Balances (Balance Sheet Value)			
i Bank balance – Proprietary accounts	22,054,540		22,054,540
ii Bank balance – Customer accounts	9,967,766		9,967,766
iii Cash in hand	15,912		15,912
119 Subscription money against investment in IPO/ offer for sale (asset)			
i No haircut may be applied in respect of amount paid as subscription money provided that shares have not 145[been] allotted or are not included in the investments of securities broker		Balance sheet value or Net value after deducting haircuts.	-
ii 146]In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities		Balance sheet value or Net value after deducting haircuts]	-
iii In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares]		Balance sheet value or Net value after deducting haircuts.	-
120 Total Assets	101,777,484		34,000,475



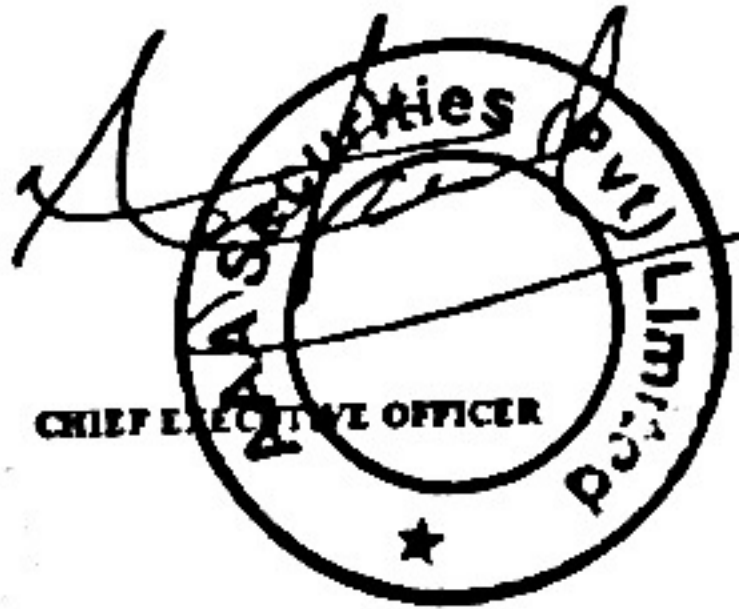
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2. Liabilities			
2.1	Trade payables (Balance Sheet Value)		
	i Payable to exchanges and clearing house		
	ii Payable against leveraged market products	6,097,011	6,097,011
	iii Payable to customers		
2.2	Current Liabilities		
	i Statutory and regulatory dues	1,752,649	1,752,649
	ii Accruals and other payables		
	iii Short-term borrowings		
	iv current portion of subordinated loans		
	v Current portion of long-term liabilities		
	vi Deferred liabilities		
	vii Provision for Taxation		
	viii other liabilities as per accounting principles and included in the financial statements		
2.3	Non-current liabilities Long-term financing i. Staff retirement benefits ii. other liabilities as per accounting principles and included in the financial statements (Nil or Balance sheet Value as the case may be)		1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases 2. Nil in all other cases
2.4	Subordinated Loans (Net value after deducting adjustments), 149[if any.]	Balance Sheet Value	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted
2.5	Advance against shares for increase in capital of securities broker (Net amount after deducting haircuts)	Balance Sheet Value	
2.6	Total Liabilities	7,849,660	7,849,660
3. Ranking Liabilities relating to			
3.1	Concentration in margin financing (Amount as determined through adjustment)	Nil	The amount calculated 150[on] client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees 151[Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.]
3.2	Concentration in securities lending and borrowing (Amount as determined through adjustment)	Nil	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. 152[Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.]
3.3	Net underwriting Commitments (Amount as determined through adjustment)	Nil	(a) in the case of rights 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 commitment 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 commitment (b) in any other case: 12.5% of the net underwriting commitments
3.4	Negative equity of subsidiary (Amount as determined through adjustment)	Nil	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary
3.5	Foreign exchange agreements and foreign currency positions (Amount as determined through adjustment)	Nil	5% of the net position in foreign currency Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency
3.6	Amount payable under REPO (Carrying value)	Balance sheet value	Carrying value
3.7	Repo adjustment (Amount as determined through adjustment)	Nil	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



3.8	Concentrated proprietary positions (Amount as determined through adjustment)	Nil	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 value of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	25,316
3.9	Opening Positions in futures and options (Amount as determined through adjustment)	Nil		
	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 haircut			
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	Short sell positions (Amount as determined through adjustment)	Nil	i. In case of customer positions, The market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircut less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based 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 haircut	25,316
3.11	Total Ranking Liabilities			26,125,499
		93,927,821		

Liquid Capital Statement



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DIRECTOR