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**ASIAN SECURITIES  
LIMITED**

Financial Statements  
For the year ended June 30, 2021

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**REANDA**

**Reanda Haroon Zakaria & Company**  
Chartered Accountants



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ASIAN SECURITIES LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of **Asian Securities Limited** which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, statement of 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, statement of 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, statement of 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 (the Code) 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.

**Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are 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.

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, statement of 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 is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015, section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Yameen**.

*Reanda Haroon Zakaria & Co*  
Reanda Haroon Zakaria & Company  
Chartered Accountants


Place: Karachi

Dated: 13 SEP 2021

**ASIAN SECURITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	<i>Note</i>	<i>2021 Rupees</i>	<i>2020 Rupees</i>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	4	1,624,273	3,166,659
Intangible assets	5	2,437,000	2,437,000
Long term deposits	6	3,040,007	3,040,007
Deferred tax asset	7	-	-
		7,101,280	8,643,666
<b>Current Assets</b>			
Trade debts	8	15,775	13,777
Tax refund due from Government	9	-	384,153
Advances and prepayments	10	226,958	286,998
Short term investment	11	512,064,276	445,320,128
Cash and bank balances	12	34,544,285	256,355,887
		546,851,294	702,360,943
<b>Total Assets</b>		553,952,574	711,004,609
<b><u>EQUITY AND LIABILITY</u></b>			
<b>Share Capital and Reserve</b>			
<b>Authorized capital</b>			
10,000,000 Ordinary shares of Rs.10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	13	100,000,000	100,000,000
Capital reserve		7,000,000	7,000,000
Unappropriated profit		442,442,103	596,113,594
		549,442,103	703,113,594
<b>Current Liabilities</b>			
Trade and other payables	14	3,393,463	7,891,015
Tax payable	9	1,117,008	-
		4,510,471	7,891,015
<b>Contingencies and Commitments</b>			
<b>Total Equities and Liabilities</b>	15	553,952,574	711,004,609

The annexed notes form an integral part of these financial statements

  
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 Chief Executive

  
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 Director

**ASIAN SECURITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Note</i>	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
Operating revenue	16	84,164,685	54,417,304
Gain / (loss) on re-measurement of investments carried at fair value through profit or loss - net		<u>79,668,973</u>	<u>(4,183,506)</u>
		163,833,658	50,233,798
Administrative expenses	17	19,464,740	18,510,901
Finance cost	18	56,100	65,822
		19,520,840	18,576,723
Other charges	19	-	750,000
Other non-operating revenue	20	<u>10,834,283</u>	<u>14,480,213</u>
<b>Profit before taxation</b>		<u>155,147,101</u>	<u>45,387,288</u>
Taxation	21	<u>8,818,592</u>	<u>10,948,745</u>
<b>Profit after taxation</b>		<u>146,328,509</u>	<u>34,438,543</u>
<b>Earning per share - basic and diluted</b>	22	<u>14.63</u>	<u>3.44</u>

The annexed notes form an integral part of these accounts.



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*Chief Executive*



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*Director*

**ASIAN SECURITIES LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<i>2021</i> <i>Rupees</i>	<i>2020</i> <i>Rupees</i>
Profit for the year	146,328,509	34,438,543
<b>Other comprehensive income:</b>		
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>146,328,509</u>	<u>34,438,543</u>

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



Chief Executive



Director

**ASIAN SECURITIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Issued, Subscribed &amp; Paid up Capital</i>	<i>Capital Reserve</i>	<i>Unappropriated profit</i>	<i>Total</i>
	----- Rupees -----			
<b>Balance as on June 30, 2019</b>	100,000,000	7,000,000	711,675,051	818,675,051
<b>Total comprehensive income for the year</b>				
Profit after taxation for the year ended June 30, 2020	-	-	34,438,543	34,438,543
Interim dividends @ Rs. 15 per share for the year ended June 30, 2020	-	-	(150,000,000)	(150,000,000)
<b>Balance as on June 30, 2020</b>	<b>100,000,000</b>	<b>7,000,000</b>	<b>596,113,594</b>	<b>703,113,594</b>
<b>Total comprehensive income for the year</b>				
Profit after taxation for the year ended June 30, 2021	-	-	146,328,509	146,328,509
Interim dividends @ Rs. 30 per share for the year ended June 30, 2021	-	-	(300,000,000)	(300,000,000)
<b>Balance as on June 30, 2021</b>	<b>100,000,000</b>	<b>7,000,000</b>	<b>442,442,103</b>	<b>549,442,103</b>

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

  
 \_\_\_\_\_  
 Chief Executive

  
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 Director

**ASIAN SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<i>2021</i>	<i>2020</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	155,147,101	45,387,288
<b>Adjustments for :</b>		
Depreciation	1,859,220	2,019,472
Gain on sale of property, plant and equipment	(1,779,970)	(11,000)
Dividend Income	(41,885,854)	(53,920,483)
Gain on disposal of investment	(38,941,206)	931,969
(Gain)/Loss on re-measurement of investments carried at fair value through profit or loss - net	(79,668,973)	4,183,506
	<u>(160,416,783)</u>	<u>(46,796,536)</u>
<b>Loss before working capital changes</b>	<b>(5,269,682)</b>	<b>(1,409,248)</b>
<b>Changes in Working Capital:</b>		
<b>Decrease / (Increase) in current assets</b>		
Trade debts	(1,998)	(4,187)
Advances and prepayments	60,040	154,217
Intangible assets	-	750,000
	<u>58,042</u>	<u>900,030</u>
<b>Increase/(Decrease) in Current Liabilities</b>		
Trade and other payables	(4,497,552)	342,754
	<u>(4,439,510)</u>	<u>1,242,784</u>
<b>Cash used in operations</b>	<b>(9,709,192)</b>	<b>(166,464)</b>
Income tax paid	(7,317,431)	(10,387,188)
<b>Net cash used in operating activities</b>	<b>(17,026,623)</b>	<b>(10,553,652)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(316,834)	(240,290)
Dividend received	41,885,854	53,920,483
Proceeds from disposal of investment - net	51,866,031	287,009,903
Proceeds from disposal of property and equipment	1,779,970	11,000
<b>Net cash generated from investing activities</b>	<b>95,215,021</b>	<b>340,701,096</b>

2021  
Rupees

2020  
Rupees

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Interim dividends paid	(300,000,000)	(150,000,000)
<b>Net cash used in financing activities</b>	<b>(300,000,000)</b>	<b>(150,000,000)</b>
Net increased in cash & cash equivalents	(221,811,602)	180,147,444
Cash and cash equivalents at the beginning of the year	256,355,887	76,208,443
<b>Cash and cash equivalents at the end of the year</b>	<b>34,544,285</b>	<b>256,355,887</b>

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



*Chief Executive*



*Director*