

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED**

June 30, 2019

**BAKER TILLY MEHMOOD IDREES QAMAR
CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **RIAZ AHMED SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the balance sheet as at **June 30, 2019**, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement 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 balance sheet, the profit and loss account, the statement of other comprehensive income, the statement of changes in equity and the cash flow statement 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, 2019** and of the profit (or loss), the total comprehensive income (or loss), 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.

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.



ADVISORY - ASSURANCE - TAX

Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a Member of the global network of Baker Tilly International Ltd. the members of which are separate and independent legal entities.

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.

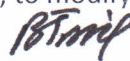
Board of directors are responsible for overseeing the Company's financial reporting process.

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



ADVISORY - ASSURANCE - TAX

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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 balance sheet, the profit and loss account, the statement of other comprehensive income, the statement of changes in equity and the cash flow statement 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 **Abdur Rub Khan**.

Date: October 4, 2019
Place: Peshawar

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants



RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Balance Sheet

As At June 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	385,779	485,680
Intangible asset	5	4,025,004	4,050,002
Long Term Investment	6	30,346,030	30,346,030
Long Term Advances	7	350,000	350,000
		35,106,813	35,231,712
Current Assets			
Short Term Investments	8	6,214,090	7,558,003
Accounts Receivables	9	162,880	-
Advances, deposits & pre-payments	10	155,975	5,127,534
Taxation-Net	11	456,411	319,464
Cash and bank balances	12	9,860,936	6,470,929
		16,850,292	19,475,930
		51,957,105	54,707,642
EQUITY AND LIABILITIES			
Share capital & Reserves			
Authorized Capital	13	50,000,000	50,000,000
Share capital	13	47,493,370	47,493,370
Unappropriated Profit / (Loss)		2,990,169	5,330,566
		50,483,539	52,823,936
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities	21	12,068	-
Current Liabilities			
Account payables	14	1,183,065	1,584,500
Accrued and Other Liabilities	15	278,433	299,206
		1,461,498	1,883,706
Contingencies and commitments	16		
		51,957,105	54,707,642

The annexed notes 1 to 30 form an integral part of these financial statements.

Riaz


Chief Executive

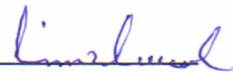

Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Profit and Loss Account
For the year Ended June 30, 2019

	<i>Note</i>	2019 Rupees	2018 Rupees
Revenue			
Income from brokerage	17	1,339,042	2,387,669
		<u>1,339,042</u>	<u>2,387,669</u>
Operating and Administrative expenses	18	(3,154,019)	(3,003,054)
Profit /(loss) from operation		<u>(1,814,977)</u>	<u>(615,385)</u>
Financial charges	19	(911)	(88)
Other income / (loss)	20	(418,820)	1,394,098
Profit / (Loss) before taxation		<u>(2,234,708)</u>	<u>778,625</u>
Taxation	21	(105,689)	(565,303)
Profit / (Loss) after taxation		<u><u>(2,340,397)</u></u>	<u><u>213,322</u></u>

The annexed notes 1 to 30 form an integral part of these financial statements.

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 Chief Executive



 Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Statement of Comprehensive Income
For the year ended 30 June, 2019


	<i>Note</i>	2019 Rupees	2018 Rupees
Profit / (Loss) after Taxation		(2,340,397)	213,322
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		<u><u>(2,340,397)</u></u>	<u><u>213,322</u></u>

The annexed notes 1 to 30 form an integral part of these financial statements.

Riaz Ahmed



Chief Executive



Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Cash Flow Statement
For the year ended 30 June, 2019

	<i>Note</i>	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(2,234,708)	778,625
Adjustments for non cash items:			
Depreciation and amortization		124,899	160,444
Unrealised (Gain)/ loss on investment		(1,699,968)	420,058
Finance cost		911	88
		<u>(1,574,158)</u>	<u>580,590</u>
Operating profit before working capital changes		(3,808,866)	1,359,215
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts Receivable		(162,880)	95,726
Advances, Deposits and prepayments		4,971,559	(4,131)
Short Term Investments		1,343,913	(6,669,163)
Increase/(decrease) in:			
Trade Creditors		(401,435)	(516,317)
Accrued and Other Liabilities		(20,773)	190,001
		<u>5,730,384</u>	<u>(6,903,884)</u>
		<u>5,730,384</u>	<u>(6,903,884)</u>
Cash utilized in operations		1,921,518	(5,544,669)
Financial charges paid		(911)	(88)
Unrealised (Gain)/ loss on investment		1,699,968	(420,058)
Taxes paid		(230,568)	(556,408)
		<u>1,468,489</u>	<u>(976,554)</u>
<i>Net cash generated / (used) from/(in) operating activities</i>		3,390,007	(6,521,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Assets		-	(461,067)
<i>Net cash used in investing activities</i>		-	(461,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares		-	10,000,000
<i>Net cash generated from financing activities</i>		-	10,000,000
Net (decrease)/increase in cash and cash equivalents		3,390,007	3,017,710
Cash and cash equivalents at the beginning of the period		6,470,929	3,453,219
Cash and cash equivalents at the end of the period	<i>11</i>	9,860,936	6,470,929

The annexed notes 1 to 30 form an integral part of these financial statements.


 Chief Executive




 Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Statement of Changes in Equity

	Share capital	Share premium	General Reserve	Unappropriated profit/ (Loss)	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2017	37,493,370	-	-	5,117,244	42,610,614
Additions	10,000,000	-	-	-	10,000,000
Net profit for the year ended 30 June, 2018	-	-	-	213,322	213,322
Balance as at 30 June 2018	<u>47,493,370</u>	<u>-</u>	<u>-</u>	<u>5,330,566</u>	<u>52,823,936</u>
Balance as at 01 July 2018	47,493,370	-	-	5,330,566	52,823,936
Additions	-	-	-	-	-
Net profit for the year ended 30 June, 2018	-	-	-	(2,340,397)	(2,340,397)
Balance as at 30 June, 2019	<u>47,493,370</u>	<u>-</u>	<u>-</u>	<u>2,990,169</u>	<u>50,483,539</u>

Riaz Ahmed

The annexed notes 1 to 30 form an integral part of these financial statements.


Chief Executive


Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements

For the year ended June 30, 2019

1 The Company's operations and registered office

Riaz Ahmed Securities (Private) Limited ("the Company") was incorporated in May 11, 2006 under the Companies Ordinance 1984 as a Private Limited company at Islamabad and is primarily engaged in the business of stocks, brokerage, portfolio management and in secondary capital market operations. It is also actively taking part in the initial public offerings(IPO's) and providing all relative services to the general public to promote investment . Company office is situated at Stock Exchange Building Islamabad.

2 Statement of compliance

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

3 Significant accounting policies

3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in note number 4, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation for full year in the year of purchase while no depreciation is charged in the year of sale of asset.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each balance sheet date.

3.3 Intangible assets

This is stated at cost less amortization and impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

B. Ahmad

3.5 Account Receivables

Account Receivables are recognized and carried at original amount which is fair value of the consideration to be received in future. Debts considered irrecoverable are written-off.

3.6 Taxation

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and on presumptive basis on Income subject to Final Taxation.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

3.7 Trade and settlement date accounting

All " regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.8 Securities under repurchase/reverse repurchase agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time.

3.9 Revenue recognition

- a) Brokerage, fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when receive the same.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading are included in profit and loss account in the period in which they arise.

3.10 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

3.12 Contingencies and Commitments

A contingent liability is disclosed when the Company has a possible obligation as a result of past event, existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past event, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

B. Singh

4 PROPERTY, PLANT AND EQUIPMENTS

Particulars	Computers and equipments	Office equipment	Furniture and Fixture	Total
Net carrying value basis				
Year ended June 30, 2019				
Opening book value	256,668	112,657	116,355	485,680
Additions	-	-	-	-
Depreciation charge	(77,000)	(11,266)	(11,635)	(99,901)
Closing net book value	<u>179,668</u>	<u>101,391</u>	<u>104,720</u>	<u>385,779</u>
Gross carrying value basis				
As at June 30, 2019				
Cost	627,718	170,459	154,670	952,847
Accumulated depreciation	(448,050)	(69,068)	(49,950)	(567,068)
Net book value	<u>179,668</u>	<u>101,391</u>	<u>104,720</u>	<u>385,779</u>
Net carrying value basis				
Year ended June 30, 2018				
Opening book value	129,837	78,909	26,313	235,059
Additions	236,832	46,265	102,970	386,067
Depreciation charge	(110,001)	(12,517)	(12,928)	(135,446)
Closing net book value	<u>256,668</u>	<u>112,657</u>	<u>116,355</u>	<u>485,680</u>
Gross carrying value basis				
As at June 30, 2018				
Cost	627,718	170,459	154,670	952,847
Accumulated depreciation	(371,050)	(57,802)	(38,315)	(467,167)
Net book value	<u>256,668</u>	<u>112,657</u>	<u>116,355</u>	<u>485,680</u>
Annual rate of depreciation (%)	30	10	10	<i>BT</i>

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

	Note	2019 Rupees	2018 Rupees
5 Intangible Asset			
Trading Right Entitlement Certificate	5.1	4,000,000	4,000,000
Software	5.2	25,004	50,002
		<u>4,025,004</u>	<u>4,050,002</u>

- 5.1** As a result of integration of three Stock Exchanges the company has become the Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange (PSX) and its value has been enhanced to the extent of value of TREC recognized by PSX.

In the absence of an active market for TREC, the company has taken the cost of TREC at Rs. 4 million, which is the value approved by the Board of Directors of PSX and a mortgage has been created at that value in favour of PSX and has been accepted by SECP. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.

This certificate has indefinite life until it is transferred to other person.

5.2 Software

5.2.1 Net carrying value

Opening net book value (NBV)	50,002	-
Additions (at cost)	-	75,000
Amortization charge	(24,998)	(24,998)
Closing net book value	<u>25,004</u>	<u>50,002</u>

5.2.2 Gross carrying value basis

Cost	75,000	75,000
Accumulated amortization	(49,996)	(24,998)
Net book value	<u>25,004</u>	<u>50,002</u>

6 Long Term Investment

Investment in Shares of ISE Towers REIT Management Limited (Available for Sale)	3,034,603	3,034,603
Price	10.00	10.00
	<u>30,346,030</u>	<u>30,346,030</u>

- 6.1** These represent the shares received from ISE Towers REIT Management Limited (Formerly Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE which now has become TREC of Pakistan Stock Exchange Limited after Integration of the Stock Exchanges.

- 6.2** Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions. Now 2,981,650 shares are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC". As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.

B. Ahmed

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

2019 2018

Note Rupees Rupees

These shares do not have a quoted market price in an active market and fair value cannot be estimated reliably, therefore, these are carried at cost. Further, these have been classified in Level 3 category as per IFRS 13. The break-value of these shares as per latest audited financial statements is higher than its cost, hence no impairment has been recognized in the books of accounts for these shares.

7 Long Term Advances

CDC Deposits	50,000	50,000
NCSS Deposits	200,000	200,000
PSX deposit	100,000	100,000
	350,000	350,000

8 Short Term Investments

Cost of investment in listed securities	7,914,058	7,978,061
Unrealized Gain / (loss) on investment	(1,699,968)	(420,058)
	6,214,090	7,558,003

8.1

8.1 Shares are valued at the closing market price of June 30, 2019.

Symbol	Company Name (Listed)	Qty	Price	Amount
AGP	AGP Limited	7,000	68.53	479,710
FATIMA	Fatima Fertilizer Company Ltd	48,000	15.73	755,040
HBL	Habib Bank Ltd.	7,615	68.62	522,541
KAPCO	Kot Addu Power Co. Ltd	3,000	113.26	339,780
MCB	MCB Bank Ltd	11,500	36.38	418,370
NBP	National Bank of Pakistan	16,500	33.66	555,390
PIBTL	Pakistan Int'l Bulk Terminal Ltd	134,500	8.44	1,135,180
PSMC	Pak Suzuki Motor Co Ltd	3,000	228.96	686,880
PSO	Pakistan State Oil Co Ltd	1,620	169.63	274,801
UBL	United Bank Ltd.	7,100	147.38	1,046,398
				6,214,090

9 Accounts Receivables

Accounts Receivables from clients	-	-
Receivable from National Clearing Company Pakistan Ltd	162,880	-
	162,880	-

9.1

9.1 Receivables from National Clearing Company Pakistan Limited are relate to operating revenues and are not secured but considered good by the Management.

10 Advances, deposits & pre-payments

NCCPL exposure deposit	24,000	5,000,000
Deposit to ISE REIT	68,320	68,320
Prepaid Rent	63,655	59,214
	155,975	5,127,534

11 Taxation - NET

Balance brought forward	319,464	328,359
Provision for the year	(93,621)	(565,303)
Total liability	225,843	(236,944)
Less: payments/adjustments during the year	230,568	556,408
	456,411	319,464

Ataraj

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

		2019	2018
	Note	Rupees	Rupees
12	Cash and bank balances		
	Cash in hand	1,500	-
	Cash in Bank		
	- In saving/ Profit Accounts	1,051,897	1,662,306
	- In Current Accounts	8,807,539	4,808,623
		9,859,436	6,470,929
		9,860,936	6,470,929
13	Share capital		
	Authorized Capital		
	5,000,000 Ordinary shares of Rs. 10 each	50,000,000	50,000,000
		50,000,000	50,000,000
	Issued, subscribed and paid up capital		
	4,749,337 Ordinary shares of Rs. 10 each fully paid-up in cash	47,493,370	47,493,370
		47,493,370	47,493,370
14	Account payables		
	Account payables	1,183,065	1,584,500
	14.1	1,183,065	1,584,500
14.1	Payable to clients relate to operating business, furthermore consists of Accounts payable to Directors amounting to Rs. 993,699/-		
15	Accrued and Other Liabilities		
	FED payable	22,075	17,255
	Accrued Liabilities	256,358	281,951
		278,433	299,206
16	Contingencies and Commitments		
16.1	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 2,981,650 ordinary shares of ISETRMCL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.		
17	Income from brokerage		
	Commission Income	1,339,042	2,387,669
		1,339,042	2,387,669

B.A.M.

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

			2019	2018
	Note		Rupees	Rupees
18		Operating and Administrative expenses		
		Director Remuneration	480,000	480,000
	24	Salaries & Benefits	889,380	963,495
		Electricity and Water Charges	124,323	82,688
		Rent, Rates and Taxes	478,153	444,795
		Telephone & Internet Charges	69,331	27,758
		Entertainments	24,260	28,420
		ISE Building Charges	104,276	50,908
		Laga Charges	26,594	65,215
		PSX Charges	192,582	-
		NCSS Charges	68,204	64,364
		CDC Charges	13,835	19,712
		Printing and Stationary	8,870	34,025
		Repair & Maintenance	65,000	87,578
		Legal & Professional Charges	150,000	222,000
		Software Updation Charges	84,000	91,000
		Auditors' Remuneration	180,000	124,000
	18.1	Postage and courier	2,240	5,459
		Fee and Subscription	67,830	47,095
		Other Expenses	242	4,098
		Depreciation	99,901	135,446
	4	Amortization	24,998	24,998
			<u>3,154,019</u>	<u>3,003,054</u>
18.1		Auditors' Remuneration		
		Statutory Audit Fee	40,000	40,000
		Audit fee for certificates	140,000	84,000
		Out of Pocket Expenses	-	-
			<u>180,000</u>	<u>124,000</u>
19		Financial charges		
		Bank charges	911	88
			<u>911</u>	<u>88</u>
20		Other Income / (loss)		
		Bank Profit	503,516	179,014
		Markup by NCCPL	61,959	108,991
		Other income	-	500
		Realized Capital Gain / (loss) on investment	55,313	56,550
		Unrealized gain / (Loss) on investment	(1,699,968)	420,058
		Dividend Income	660,360	628,985
			<u>(418,820)</u>	<u>1,394,098</u>
21		Taxation		
		Current year Taxation	93,621	565,303
		Deferred Taxation	12,068	-
			<u>105,689</u>	<u>565,303</u>

21.1 This represent Current Taxation which has been provided Under Section 233A of Income Tax Ordinance, 2001 and also normal taxation on profit on debts.

21.2 Deferred Taxation has been provided due to temporary difference between accounting depreciation and tax depreciation.

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

22 Accounting Estimates And Judgments

22.1 Property, plant and equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

22.2 Intangible assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

22.3 Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

22.4 Trade debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

23 Financial Risk Management Objectives and Policies

23.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. The Company's credit risk exposure is not significantly different from that reflected from financial statements.

23.2 Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

	2018 Rupees	2017 Rupees
Long Term Investment	30,346,030	30,346,030
Long Term Advances	350,000	350,000
Cash and bank balances	9,860,936	4,576,981
	<u>40,556,966</u>	<u>35,273,011</u>

Impaired assets

During the year no impairment has been made.

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23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements, if any:

	Carrying amount	Contractual cash	One year or less
	-----Rupees-----		
June 30, 2019			
Account payables	1,183,065	1,183,065	1,183,065
June 30, 2018			
Account payables	1,584,500	1,584,500	1,584,500

23.4 Currency risk

Foreign currency risk is that risk the value of a financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exists due to transactions entered into foreign currencies. The Company believes that it is not exposed to any significant level of currency risk, as the Company is managing its risk.

23.5 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

23.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company does not hold any interest bearing instrument as at the balance sheet date, therefore, no sensitivity analysis has been presented.

24 Fair Value of 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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materiality the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

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- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, adjusted) inputs.

Transfer between level of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

25 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	2019		2018	
	Chief Executive	Directors	Chief Executive	Directors
Managerial remuneration	120,000	360,000	120,000	360,000
Number of persons	1	3	1	3

26 Transactions with Related Parties

The related parties and associated undertakings of the Company comprise of shareholders, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings involve sharing of utilities of office premises. Related party transactions during the year amounted to Rs. 993,699/- as accounts payable of Directors and as director remuneration in note number 17.

27 Number of Employees

Total number of employees at the end of the year was 3 (2018 :03).

28 Corresponding Figures

The preparation and presentation of these financial statements for the year ended June 30, 2019 is in accordance with requirements in Companies Act, 2017. The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

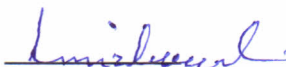
29 Date of Authorization

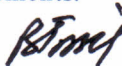
These financial statements have been authorized for issue by the Board of Directors of Company on October 03, 19.

30 General

Figures have been rounded off to the nearest Rupee.

The annexed notes 1 to 30 form an integral part of these financial statements.


Chief Executive




Director