

**RIAZ AHMED SECURITIES
(PRIVATE) LIMITED**

**Financial Statements
For the Period Ended 31 Dec, 2019**


RIAZ AHMED SECURITIES (PRIVATE) LIMITED

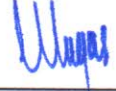
Balance Sheet As At December 31, 2019

	Note	Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	349,530	385,779
Intangible asset	5	2,512,506	4,025,004
Long Term Investment	6	30,346,030	30,346,030
Long Term Advances	7	350,000	350,000
		33,558,066	35,106,813
Current Assets			
Short Term Investments	8	8,048,793	6,214,090
Accounts Receivables	9	-	162,880
Advances, deposits & pre-payments	10	141,976	155,975
Taxation-Net	11	614,367	456,411
Cash and bank balances	12	10,306,156	9,860,936
		19,111,291	16,850,292
		52,669,357	51,957,105
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)		3,554,903	2,990,169
		51,048,273	50,483,539
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities	21	12,068	12,068
Current Liabilities			
Account payables	14	1,378,308	1,183,065
Accrued and Other Liabilities	15	230,707	278,433
		1,609,015	1,461,498
Contingencies and commitments	16		
		52,669,357	51,957,105

(0.18)

The annexed notes 1 to 22 form an integral part of these financial statements.


Chief Executive



Director

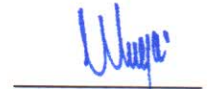


RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Profit and Loss Account
For the Half year Ended December 31, 2019

	<i>Note</i>	Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
Revenue			
Income from brokerage	17	1,681,846	2,387,669
		<u>1,681,846</u>	<u>2,387,669</u>
Operating and Administrative expenses	18	(1,498,823)	(3,003,054)
Profit / (loss) from operation		183,023	(615,385)
Financial charges	19	-	(88)
Impairment of TREC		(1,500,000)	
Other income / (loss)	20	1,905,517	1,394,098
Profit / (Loss) before taxation		588,540	778,625
Taxation	21	(23,806)	(117,427)
Profit / (Loss) after taxation		564,734	661,198

The annexed notes 1 to 22 form an integral part of these financial statements.


 Chief Executive

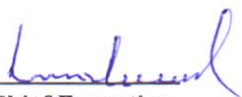

 Director



RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Statement of Comprehensive Income
For the Half year Ended December 31, 2019

	<i>Note</i>	Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
Profit / (Loss) after Taxation		564,734	661,198
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		<u><u>564,734</u></u>	<u><u>661,198</u></u>

The annexed notes 1 to 22 form an integral part of these financial statements.



Chief Executive



Director



RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements

For the Half year Ended December 31, 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.

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.

4 PROPERTY, PLANT AND EQUIPMENTS

Particulars	Computers and equipments	Office equipment	Furniture and Fixture	Total
Net carrying value basis				
Year ended December 31, 2019				
Opening book value	179,668	101,391	104,720	385,779
Additions	-	1,060	-	1,060
Depreciation charge	(26,950)	(5,123)	(5,236)	(37,309)
Closing net book value	<u>152,718</u>	<u>97,328</u>	<u>99,484</u>	<u>349,530</u>
Gross carrying value basis				
As at December 31, 2019				
Cost	627,718	171,519	154,670	953,907
Accumulated depreciation	(475,000)	(74,191)	(55,186)	(604,377)
Net book value	<u>152,718</u>	<u>97,328</u>	<u>99,484</u>	<u>349,530</u>
Annual rate of depreciation (%)	30	10	10	

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

		Note	Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
5	Intangible Asset			
	Trading Right Entitlement Certificate	5.1	2,500,000	4,000,000
	Software	5.2	<u>12,506</u>	<u>50,002</u>
			<u><u>2,512,506</u></u>	<u><u>4,050,002</u></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 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)		25,004	-
	Additions (at cost)		-	50,000
	Amortization charge		<u>(12,498)</u>	<u>(24,998)</u>
	Closing net book value		<u><u>12,506</u></u>	<u><u>25,002</u></u>
5.2.2	Gross carrying value basis			
	Cost		75,000	75,000
	Accumulated amortization		<u>(62,494)</u>	<u>(24,998)</u>
	Net book value		<u><u>12,506</u></u>	<u><u>50,002</u></u>
6	Long Term Investment			
	Investment in Shares of ISE Towers REIT Management Limited (Available for Sale)		3,034,603	3,034,603
	Price		<u>10.00</u>	<u>10.00</u>
			<u><u>30,346,030</u></u>	<u><u>30,346,030</u></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.

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

**Unaudited
31-Dec-19
Rupees**

**Audited
30-Jun-19
Rupees**

Note

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
	<u>350,000</u>	<u>350,000</u>

8 Short Term Investments

Cost of investment in listed securities	8,400,864	7,978,061
Unrealized Gain / (loss) on investment	(352,072)	(420,058)
	<u>8,048,793</u>	<u>7,558,003</u>

8.1

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

Symbol	Company Name (Listed)	Qty	Price	Amount
EFERT	Engro Fertilizers Limited	3,000	73.43	220,290
HASCOL	Hascol Petroleum Limited	15,615	26.90	420,044
HASCOL	Hascol Petroleum Limited-LOR	50,500	10.18	514,090
KAPCO	Kot Addu Power Co. Ltd	105,500	31.53	3,326,415
KHTC	Khyber Tobacco Company Ltd	1,400	271.00	379,400
NBP	National Bank of Pakistan	19,500	43.30	844,350
PIBTL	Pakistan Int'l Bulk Terminal Ltd	131,500	10.81	1,421,515
PSMC	Pak Suzuki Motor Co Ltd	2,800	230.70	645,960
PSO	Pakistan State Oil Co Ltd	1,444	191.64	276,728

8,048,792

9 Accounts Receivables

Accounts Receivables from clients	-	-
	<u>-</u>	<u>-</u>

10 Advances, deposits & pre-payments

NCCPL exposure deposit	10,000	24,000
Deposit to ISE REIT	68,320	68,320
Prepaid Rent	63,656	63,655
	<u>141,976</u>	<u>155,975</u>

11 Taxation - NET

Balance brought forward	432,605	319,464
Provision for the year	-	(117,427)
Total liability	432,605	202,037
Less: payments/adjustments during the year	181,762	230,568
	<u>614,367</u>	<u>432,605</u>

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

		Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
12	Cash and bank balances		
	Cash in hand	3,000	-
	Cash in Bank		
	- In saving/ Profit Accounts	1,481,453	1,662,306
	- In Current Accounts	8,821,703	4,808,623
		10,303,156	6,470,929
		10,306,156	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	1,378,308	1,584,500
		1,378,308	1,584,500
15	Accrued and Other Liabilities		
	FED payable	94,398	17,255
	Accrued Liabilities	136,309	281,951
		230,707	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	1,681,846	2,387,669
		1,681,846	2,387,669

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

	Note	Unaudited 31-Dec-19 Rupees	Audited 30-Jun-19 Rupees
18			
Operating and Administrative expenses			
Director Remuneration	24	240,000	480,000
Salaries & Benefits		444,690	963,495
Electricity and Water Charges		56,689	82,688
Rent, Rates and Taxes		254,622	444,795
Telephone & Internet Charges		30,166	27,758
Entertainments		14,680	28,420
ISE Building Charges		43,856	50,908
Laga Charges		31,408	65,215
PSX Charges		126,426	-
NCSS Charges		48,293	64,364
CDC Charges		12,666	19,712
Printing and Stationary		14,990	34,025
Repair & Maintenance		18,230	87,578
Legal & Professional Charges		-	222,000
Software Updation Charges		42,000	91,000
Auditors' Remuneration		-	124,000
Postage and courier		470	5,459
Fee and Subscription		69,830	47,095
Other Expenses		-	4,098
Depreciation	4	37,309	135,446
Amortization	5	12,498	24,998
		<u>1,498,823</u>	<u>3,003,054</u>
19			
Financial charges			
Bank charges		-	88
		<u>-</u>	<u>88</u>
20			
Other Income / (loss)			
Bank Profit		483,437	179,014
Markup by NCCPL		-	108,991
Other income		-	500
Realized Capital Gain / (loss) on investment		892,272	56,550
Unrealized gain / (Loss) on investment		(352,072)	420,058
Dividend Income		881,880	628,985
		<u>1,905,517</u>	<u>1,394,098</u>
21			
Taxation			
Current year Taxation		-	117,427
Prior year adjustment		23,806	-
Deferred Taxation		-	-
		<u>23,806</u>	<u>117,427</u>
22			
General			

Figures have been rounded off to the nearest Rupee.


Chief Executive




Director