

**RIAZ AHMED SECURITIES
(PRIVATE) LIMITED**

**Financial Statements
For the Period Ended 30 June, 2020**

**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, 2020**, 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, 2020** 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.



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



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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 5, 2020
Place: Peshawar

Baker Tilly Mehmoed Idrees Qamar

Baker Tilly Mehmoed Idrees Qamar
Chartered Accountants



Abdur Rub Khan

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Baker Tilly Mehmoed 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.

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Balance Sheet


As At June 30, 2020

	Note	2020 Rupees	Restated 2019 Rupees	Restated 2018 Rupees
ASSETS				
Non-Current Assets				
Property and equipment	5	1,758,027	385,779	485,680
Intangible asset	6	2,500,000	2,525,004	2,550,002
Long Term Investment	7	46,884,616	30,346,030	30,346,030
Long Term Advances	8	350,000	350,000	350,000
		51,492,643	33,606,813	33,731,712
Current Assets				
Short Term Investments	9	9,202,176	6,214,090	7,558,003
Accounts Receivables	10	-	162,880	-
Advances, deposits & pre-payments	11	5,000	155,975	5,127,534
Taxation-Net	12	323,968	432,605	319,464
Cash and bank balances	13	6,256,286	9,860,936	6,470,929
		15,787,430	16,826,486	19,475,930
		67,280,074	50,433,299	53,207,642
EQUITY AND LIABILITIES				
Share capital & Reserves				
Authorized Capital	14	50,000,000	50,000,000	50,000,000
Share capital	14	47,493,370	47,493,370	47,493,370
Unappropriated Profit / (Loss)		16,903,692	1,466,363	3,830,566
		64,397,062	48,959,733	51,323,936
Liabilities				
Non Current Liabilities				
Deferred Tax Liabilities	15	20,466	12,068	-
Lease Liability of Right to use asset	16	825,391	-	-
Current Liabilities				
Account payables	17	1,256,513	1,183,065	1,584,500
Short term lease liability	16	488,640	-	-
Accrued and Other Liabilities	18	292,002	278,433	299,206
		2,037,155	1,461,498	1,883,706
Contingencies and commitments	19			
		67,280,074	50,433,299	53,207,642

The annexed notes 1 to 37 form an integral part of these financial statements.

Board


Chief Executive


Director


RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Profit and Loss Account
For the year Ended June 30, 2020

	Note	2020 Rupees	Restated 2019 Rupees	Restated 2018 Rupees
Operating Revenue	20	3,513,975	1,999,402	3,016,654
Capital gain/ (loss) on sale of investment-net		1,080,445	55,313	56,550
Loss/gain on re-measurement of investment carried at fair value through profit or loss-net		(2,715,289)	(1,699,968)	420,058
		<u>1,879,131</u>	<u>354,747</u>	<u>3,493,262</u>
Operating and Administrative expenses	21	(3,378,631)	(3,154,019)	(3,003,054)
Profit/(loss) from operation		<u>(1,499,500)</u>	<u>(2,799,272)</u>	<u>490,208</u>
Financial charges	22	-	(911)	(88)
Other income	23	771,463	565,475	288,505
Profit / (Loss) before taxation		<u>(728,037)</u>	<u>(2,234,708)</u>	<u>778,625</u>
Taxation	24	(373,220)	(129,495)	(565,303)
Profit / (Loss) after taxation		<u>(1,101,257)</u>	<u>(2,364,203)</u>	<u>213,322</u>

The annexed notes 1 to 37 form an integral part of these financial statements.

Riaz Ahmed


 Chief Executive



 Director


RIAZ AHMED SECURITIES (PRIVATE) LIMITED
Statement of Comprehensive Income
For the year ended 30 June, 2020

	2020 Rupees	Restated 2019 Rupees	Restated 2018 Rupees
Profit / (Loss) after Taxation	(1,101,257)	(2,364,203)	213,322
Items that may be classified to the Profit and loss:			
Loss on remeasurement of TREC	-	-	(1,500,000)
Items that may not be classified to the Profit and loss:			
Gain on ISE REIT Management shares	16,538,586		
Other comprehensive income for the year	16,538,586	-	(1,500,000)
Total Comprehensive income for the year	<u>15,437,329</u>	<u>(2,364,203)</u>	<u>(1,286,678)</u>

The annexed notes 1 to 37 form an integral part of these financial statements.

B. S. Rizvi


 Chief Executive


 Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Cash Flow Statement


For the year ended 30 June, 2020

	2020 Rupees	Restated 2019 Rupees	Restated 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	(728,037)	(2,234,708)	778,625
Adjustments for non cash items:			
Depreciation and amortization	162,417	124,899	160,444
Unrealised (Gain) / loss on investment	(2,715,289)	(1,699,968)	420,058
Realised (Gain) / loss on investment	-	-	-
Finance cost	-	911	88
	<u>(2,552,872)</u>	<u>(1,574,158)</u>	<u>580,590</u>
Operating profit before working capital changes	(3,280,909)	(3,808,866)	1,359,215
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts Receivable	162,880	(162,880)	95,726
Advances, Deposits and prepayments	150,975	4,971,559	(4,131)
Short Term Investments	(2,988,086)	1,343,913	(6,669,163)
Increase/(decrease) in:			
Trade Creditors	73,448	(401,435)	(516,317)
Accrued and Other Liabilities	13,569	(20,773)	190,001
	<u>(2,587,214)</u>	<u>5,730,384</u>	<u>(6,903,884)</u>
	<u>(2,587,214)</u>	<u>5,730,384</u>	<u>(6,903,884)</u>
Cash utilized in operations	(5,868,123)	1,921,518	(5,544,669)
Financial charges paid	-	(911)	(88)
Unrealised (Gain) / loss on investment	2,715,289	1,699,968	(420,058)
Lease paid	(195,631)		
Taxes paid	(256,185)	(230,568)	(556,408)
	<u>2,263,473</u>	<u>1,468,489</u>	<u>(976,554)</u>
Net cash generated / (used) from/(in) operating activities	(3,604,650)	3,390,007	(6,521,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Assets	-	-	(461,067)
Net cash used in investing activities	-	-	(461,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	-	-	10,000,000
Net cash generated from financing activities	-	-	10,000,000
Net (decrease)/increase in cash and cash equivalents	(3,604,650)	3,390,007	3,017,710
Cash and cash equivalents at the beginning of the period	<u>9,860,936</u>	<u>6,470,929</u>	<u>3,453,219</u>
Cash and cash equivalents at the end of the period	<u><u>6,256,286</u></u>	<u><u>9,860,936</u></u>	<u><u>6,470,929</u></u>

The annexed notes 1 to 37 form an integral part of these financial statements.


Chief Executive




Director

RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Statement of Changes in Equity

For the year Ended June 30, 2020

Note	Share capital	Share premium	Unrealized surplus / (deficit) on re-measurement of investments measured at FVTOCI	Unappropriated profit/ (Loss)	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2017	37,493,370	-	-	5,117,244	42,610,614
Net profit for the year ended 30 June, 2018- Restated	10,000,000	-	-	(1,286,678)	8,713,322
Balance as at 30 June 2018	47,493,370	-	-	3,830,566	51,323,936
Balance as at 01 July 2018	47,493,370	-	-	3,830,566	51,323,936
Net profit/ (loss) for the year ended 30 June, 2019-Restate	-	-	-	(2,364,203)	(2,364,203)
Balance as at 30 June 2019	47,493,370	-	-	1,466,363	48,959,733
Balance as at 01 July 2019	47,493,370	-	-	1,466,363	48,959,733
Net profit/ (loss) for the year ended 30 June, 2020	-	-	16,538,586	(1,101,257)	15,437,329
Balance as at 30 June, 2020	47,493,370	-	16,538,586	365,106	64,397,062

The annexed notes 1 to 37 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, 2020

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 G- 9(A) Mezzanine of ISE Towers , 55-B, Jinnah Avenue, Sector F-7/G-7, Islamabad.

2 Statement of compliance

These financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 on owned assets and on straight line basis on right of use assets, 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 on owned assets and on the period of usage basis on right of use assets.

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.

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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.

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 Financial Instruments

Initial Recognition

All Financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or receive. These are subsequently measured at fair value, amortised cost or cost

Classification of financial assets:

The company classifies its financial instruments in the following categories

- At fair value Through Profit and Loss (FVTPL)
- At fair value Through Other Comprehensive Income (FVTOCI)
- At Amortized Cost

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held with a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal outstanding.
- By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities:

The company classifies its financial instruments in the following categories

- At fair value Through Profit and Loss (FVTPL)
- At Amortized Cost

The financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent Measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transactions costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income/ (loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the statements of profit and loss and other comprehensive income. Realised 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.

Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increased in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 month after the reporting date:

- Short term deposits and receivables
- loan to director
- Receivable again sale of property
- Bank balances

Loss allowance for receivables from clients are always measured at an amount equal to life time Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

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The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of a financial assets measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities when its obligation under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

3.13 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 Changes in accounting policy

IFRS 9- Financial Instruments

IFRS 9 replaces the provision of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedging accounting. The adoption of IFRS 9 from July 1, 2019 resulted in changes in accounting policies are set out in note 3.12 above. In accordance with the transitional provision in IFRS 9, the corresponding figures have not been restated.

IFRS 16: Leases

This standard introduces a single, on-balance sheet lease accounting model for lessees, whereby the lessee recognizes a single, right-of-use asset (representing its right to use an asset) and a lease liability representing the lessee's obligation to make lease payments. Guidance being replaced and superseded by IFRS 16 includes (but is not limited to) IAS 17 (Leases), IFRIC 4 (Determining Whether An Arrangement Contains a Lease) and SIC 15 (Incentives in Operating Leases). The standard is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 9 from renewal of lease on May 15, 2020 for next three years resulted in changes in accounting policies as required by IFRS 16.

B. S. S.

5 PROPERTY, PLANT AND EQUIPMENTS

- OWNED ASSET

Particulars	Computers and equipments	Office equipment	Furniture and Fixture	Total
Gross carrying value 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	256,668	112,657	116,355	485,680
Net carrying value June 30, 2019				
Opening book value	256,668	112,657	116,355	485,680
Depreciation charge	(77,000)	(11,266)	(11,635)	(99,901)
Closing net book value	179,668	101,391	104,720	385,779
Gross carrying value 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	179,668	101,391	104,720	385,779
Net carrying value basis				
Year ended June 30, 2020				
Opening book value	179,668	101,391	104,720	385,779
Depreciation charge	(53,900)	(10,139)	(10,472)	(74,511)
Closing net book value	125,768	91,252	94,248	311,268
Gross carrying value basis				
As at June 30, 2020				
Cost	627,718	170,459	154,670	952,847
Accumulated depreciation	(501,950)	(79,207)	(60,422)	(641,579)
Net book value	125,768	91,252	94,248	311,268
Annual rate of depreciation (%)	30	10	10	

- RIGHT OF USE

Particulars	Office Room			Total
Net carrying value basis Year ended June 30, 2020				
Opening book value	-	-	-	-
Additions	1,509,662	-	-	1,509,662
Depreciation charge	(62,903)	-	-	(62,903)
Closing net book value	1,446,759	-	-	1,446,759
Gross carrying value basis As at June 30, 2020				
Cost	1,509,662	-	-	1,509,662
Accumulated depreciation	(62,903)	-	-	(62,903)
Net book value	1,446,759	-	-	1,446,759
Annual rate of depreciation (%)	Straight line on three years on used period basis (1.5/36)			

- PROPERTY, PLANT AND EQUIPMENTS

Particulars				Total
Gross Carrying Value as at June 30, 2020				
Cost				2,462,509
Accumulated depreciation				(704,482)
Net book value				1,758,027

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

	Note	2020 Rupees	Restated 2019 Rupees	Restated 2018 Rupees
6 Intangible Asset				
Trading Right Entitlement Certificate	6.1	2,500,000	2,500,000	2,500,000
Software	6.2	-	25,004	50,002
		<u>2,500,000</u>	<u>2,525,004</u>	<u>2,550,002</u>
Trading Right Entitlement Certificate				
Cost		2,500,000	2,500,000	4,000,000
Impairment		-	-	(1,500,000)
		<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
6.1	In the absence of an active market for TREC, the company has taken the cost of TREC at Rs. 2.5 million, which is the value approved by the Board of Director of Pakistan Stock Exchange Limited and intimated to Securities and Exchange Commission of Pakistan. 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 investor's interest.			
6.2 Software		2020	2019	2018
6.2.1 Net carrying value		Rupees	Rupees	Rupees
Opening net book value (NBV)		25,004	50,002	-
Addition (at cost)		-	-	75,000
Amortization charge		(25,004)	(24,998)	(24,998)
Closing net book value		<u>-</u>	<u>25,004</u>	<u>50,002</u>
6.2.2 Gross carrying value basis				
Cost		75,000	75,000	75,000
Accumulated amortization		(75,000)	(49,996)	(24,998)
Net book value		<u>-</u>	<u>25,004</u>	<u>50,002</u>
7 Long Term Investment				
Investment in Shares of ISE Towers REIT Management Company Limited (Available for Sale)		3,034,603	3,034,603	3,034,603
Price	7.1	15.45	10.00	10.00
		<u>46,884,616</u>	<u>30,346,030</u>	<u>30,346,030</u>

7.1 These represent the shares received from ISE Towers REIT Management Company 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)).

7.2 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. 1,160,888 shares are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC".

The Company has recorded a surplus of Rs. 14.346 million on conversion of membership card and ISE REIT shares and TREC in the equity through profit and loss account during the year 2012-13.

In the absence of an active market for these shares, the company has taken/ valued them at Rs. 15.45/share as per audited financials of 2020 of ISE REIT Management Company Limited, which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. The fact indicates an acceptable level for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investor's interest.

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

8	Long Term Advances	2020	2019	2018
		Rupees	Rupees	Rupees
	CDC Deposits	50,000	50,000	50,000
	NCSS Deposits	200,000	200,000	200,000
	PSX deposit	100,000	100,000	100,000
		<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

9	Short Term Investments			
	Cost of investment in listed securities	11,917,465	7,914,058	7,978,061
	Unrealized Gain / (loss) on investment	<u>(2,715,289)</u>	<u>(1,699,968)</u>	<u>(420,058)</u>
		<u>9,202,176</u>	<u>6,214,090</u>	<u>7,558,003</u>

9.1 Shares are valued at the closing market price of June 30, 2020.

Symbol	Company Name (Listed)	Qty	Price	Amount
BOP	The Bank of Punjab Limited	6,000	8.40	50,400
EFERT	Engro Fertilizers Limited	25,900	60.28	1,561,252
ENGRO	Engro Corporation Limited	900	292.92	263,628
HASCOL	Hascol Petroleum Limited	3,615	13.60	49,164
KAPCO	Kot Addu Power Company Limited	135,500	20.15	2,730,325
KHTC	Khyber Tobacco Company Limited	1,600	184.00	294,400
LOTICHEM	Lotte Chemical Pakistan Limited	5,000	9.95	49,750
NBP	National Bank of Pakistan	18,000	27.65	497,700
PIAA	Pakistan International Airline Corporatic	16,500	4.27	70,455
PIBTL	Pakistan International Bulk Terminal Lir	142,500	8.80	1,254,000
POL	Pakistan Oil Field Limited	1,400	350.63	490,882
PPL	Pakistan Petroleum Limited	3,100	86.78	269,018
PRL	Pakistan Refinery Limited	4,000	11.41	45,640
PSMC	Pakistan Suzuki Motor Company Ltd	7,800	161.83	1,262,274
PSO	Pakistan State Oil Company Limited	800	158.16	126,528
SSGC	Sui Sourthern Gas Company Limited	14,000	13.34	186,760
				<u>9,202,176</u>

10	Accounts Receivables	2020	2019	2018
		Rupees	Rupees	Rupees
	Receivable from National Clearing Company Pakistan Ltd	-	162,880	-
		<u>-</u>	<u>162,880</u>	<u>-</u>

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

11	Advances, deposits & pre-payments			
	NCCPL exposure deposit	5,000	24,000	5,000,000
	Deposit to ISE REIT	-	68,320	68,320
	Prepaid Rent	-	63,655	59,214
		<u>5,000</u>	<u>155,975</u>	<u>5,127,534</u>

12	Taxation - NET	2020	Restated	Restated
		Rupees	2019	2018
	Balance brought forward	432,605	319,464	328,359
	Provision for the year	24 (364,822)	(117,427)	(565,303)
	Total liability	67,783	202,037	(236,944)
	Less: payments/adjustments during the year	256,185	230,568	556,408
		<u>323,968</u>	<u>432,605</u>	<u>319,464</u>

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

	2020 Rupees	2019 Rupees	2018 Rupees
13 Cash and bank balances			
Cash in hand	2,000	1,500	-
Cash in Bank			
- In saving/ Profit Accounts	<u>1,412,177</u>	<u>1,051,897</u>	<u>1,662,306</u>
- In Current Accounts	<u>4,842,109</u>	<u>8,807,539</u>	<u>4,808,623</u>
	<u>6,254,286</u>	<u>9,859,436</u>	<u>6,470,929</u>
	<u>6,256,286</u>	<u>9,860,936</u>	<u>6,470,929</u>
14 Share capital			
Authorized Capital			
5,000,000 Ordinary shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital			
4,749,337 Ordinary shares of Rs. 10 each fully paid-up in cash	<u>47,493,370</u>	<u>47,493,370</u>	<u>47,493,370</u>
	<u>47,493,370</u>	<u>47,493,370</u>	<u>47,493,370</u>
	<u>47,493,370</u>	<u>47,493,370</u>	<u>47,493,370</u>
15 Deferred Tax Liability			
Opening Balance	<u>12,068</u>		
Addition during the year	<u>8,398</u>	<u>12,068</u>	<u>-</u>
	<u>20,466</u>	<u>12,068</u>	<u>-</u>
16 Lease Liability			
Opening net liability	<u>-</u>		
Addition during the year	<u>1,509,662</u>	<u>-</u>	<u>-</u>
Less: already paid / paid during the year	<u>(195,631)</u>		
	<u>1,314,031</u>		
Less: Short term liability	<u>(488,640)</u>		
Closing net liability	<u>825,391</u>	<u>-</u>	<u>-</u>
16.1 The Company has taken on lease office from ISE Towers REIT Management Company Limited on May 15, 2020 for three year with 7.5% annual increase and quarterly due payments, annual interest rate taken at 10% p.a. for calculation of present value of future due payments.			
17 Account payables			
Account payables	<u>1,256,513</u>	<u>1,183,065</u>	<u>1,584,500</u>
	<u>1,256,513</u>	<u>1,183,065</u>	<u>1,584,500</u>
17.1 Payable to clients relate to operating business, furthermore consists of Accounts payable to Directors amounting to Rs. 459,730/-			
18 Accrued and Other Liabilities			
FED payable	<u>20,760</u>	<u>22,075</u>	<u>17,255</u>
Accrued Liabilities	<u>271,242</u>	<u>256,358</u>	<u>281,951</u>
	<u>292,002</u>	<u>278,433</u>	<u>299,206</u>
19 Contingencies and Commitments			
19.1 The Company has pledged / hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 1,160,888 ordinary shares of ISETRMCL with PSX in compliance with Base Minimum Capital (BMC) requirement.			
20 Operating Revenue			
Commission Income	<u>2,337,045</u>	<u>1,339,042</u>	<u>2,387,669</u>
Dividend Income	<u>1,176,930</u>	<u>660,360</u>	<u>628,985</u>
	<u>3,513,975</u>	<u>1,999,402</u>	<u>3,016,654</u>

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

	Note	2020 Rupees	2019 Rupees	2018 Rupees
21 Operating and Administrative expenses				
Director Remuneration	24	480,000	480,000	480,000
Salaries & Benefits		963,495	889,380	963,495
Electricity and Water Charges		115,846	124,323	82,688
Rent, Rates and Taxes		455,137	478,153	444,795
Telephone & Internet Charges		55,375	69,331	27,758
Entertainments		29,705	24,260	28,420
ISE Building Charges		80,517	104,276	50,908
Laga Charges		44,189	26,594	65,215
PSX Charges		252,852	192,582	-
NCSS Charges		100,137	68,204	64,364
CDC Charges		18,348	13,835	19,712
Printing and Stationary		35,695	8,870	34,025
Repair & Maintenance		41,502	65,000	87,578
Legal & Professional Charges		145,500	150,000	222,000
Software Updation Charges		97,440	84,000	91,000
Auditors' Remuneration	21.1	218,700	180,000	124,000
Postage and courier		845	2,240	5,459
Fee and Subscription		80,500	67,830	47,095
Other Expenses		431	242	4,098
Depreciation	5	137,414	99,901	135,446
Amortization	6	25,004	24,998	24,998
		<u>3,378,631</u>	<u>3,154,019</u>	<u>3,003,054</u>
21.1 Auditors' Remuneration				
Statutory Audit Fee		45,000	40,000	40,000
Audit fee for certificates		173,700	140,000	84,000
		<u>218,700</u>	<u>180,000</u>	<u>124,000</u>
22 Financial charges				
Bank charges		-	911	88
		<u>-</u>	<u>911</u>	<u>88</u>
23 Other Income / (loss)				
Bank Profit		771,463	503,516	179,014
Markup by NCCPL		-	61,959	108,991
Other income		-	-	500
		<u>771,463</u>	<u>565,475</u>	<u>288,505</u>
		2020	Restated	2018
		Rupees	Rupees	Rupees
24 Taxation				
Current year Taxation		364,822	117,427	565,303
Deferred Taxation		8,398	12,068	-
		<u>373,220</u>	<u>129,495</u>	<u>565,303</u>
24.1				

Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2019. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

25 FINANCIAL INSTRUMENTS BY CATEGORY

2020			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

ASSETS

Non-current assets

Long term deposits	350,000	-	-	350,000
Long term investment	-	46,884,616	-	46,884,616

Current assets

Short-term investments	-	-	9,202,176	9,202,176
Deposits, prepayments and other receivables	5,000	-	-	5,000
Cash and bank balances	6,256,286	-	-	6,256,286

LIABILITIES

Current liabilities

Account payables	1,256,513	-	-	1,256,513
Accrued and Other Liabilities	292,002	-	-	292,002

2019			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

ASSETS

Non-current assets

Long-term deposits	350,000	-	-	350,000
Long term investment	30,346,030	-	-	30,346,030

Current assets

Short-term investments	-	-	6,214,090	6,214,090
Deposits, prepayments and other receivables	318,855	-	-	318,855
Cash and bank balances	9,860,936	-	-	9,860,936

LIABILITIES

Current liabilities

Account payables	1,183,065	-	-	1,183,065
Accrued and Other Liabilities	278,433	-	-	278,433

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26 COMPUTATION OF LIQUID CAPITAL BALANCE

Under Regulation 6(4) of Third Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan as on 30-06-2020.

26.1 Basis of Preparation

The liquid capital balance has been prepared on the basis of Securities Brokers (Licensing and operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan

26.2 Computation of liquid Capital

Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	1,758,027	100.00%	-
1.2	Intangible Assets	2,500,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
Investment in Debt Securities				
If listed than:				
i. 5% of the balance sheet value in the case of tenure upto 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 than:				
i. 10% of the balance sheet value in the case of tenure upto 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.				
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.	9,202,176	1,410,528	7,791,648
	ii. If unlisted, 100% of carrying value.	46,884,616	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.	350,000	100.00%	-
1.9	Margin deposits with exchange and clearing house	5,000	-	5,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	323,968	100.00%	-
1.12	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	-	100.00%	-
1.13	Dividends receivables.	-	-	-
Amounts receivable against Repo financing.				
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	Receivables other than trade receivables	-	100.00%	-
Receivables from clearing house or securities exchange(s)				
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
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. Lower of net balance sheet value or value determined through adjustments.				
ii. In case receivables are against margin trading, 5% of the net balance sheet value.				
ii. Net amount after deducting haircut				
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.				
iii. Net amount after deducting haircut				
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	-	-	-
iv. Balance sheet value				
v. In case 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.				
v. Lower of net balance sheet value or value determined through adjustments				
vi. 100% haircut in the case of amount receivable from related parties.				
Cash and Bank balances				
1.18	i. Bank Balance-proprietary accounts	4,842,109	-	4,842,109
	ii. Bank balance-customer accounts	1,412,177	-	1,412,177
	iii. Cash in hand	2,000	-	2,000
1.19	Total Assets	67,280,074		14,052,934

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Sr. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
Trade Payables				
1.1	i. Payable to exchanges and clearing house	8,150	-	8,150
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,248,363	-	1,248,363
Current Liabilities				
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	780,642	-	780,642
	iii. Short-term borrowings	-	-	-
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
Non-Current Liabilities				
2.3	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	845,857	-	845,857
Subordinated Loans				
2.4	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	Total Liabilities	2,883,012		2,883,012
3. Ranking Liabilities Relating to :				
Concentration in Margin Financing				
3.1	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	-	-	-
Concentration in securities lending and borrowing				
The amount by which the aggregate of:				
3.2	(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	-	-	-
Net underwriting Commitments				
(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				
3.3	(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 currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
Repo adjustment				
In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.				
3.7	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	136,516	-	136,516
Opening Positions in futures and options				
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 haircuts				
3.9	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
Short sell positions				
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				
3.10	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	136,516		136,516
		64,260,546		11,033,406

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	14,052,934
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(2,883,012)
(iii) Less: Total ranking liabilities (series number 3.11)	(136,516)

Liquid Capital (Rs.) 11,033,406

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

27 CALCULATION OF CAPITAL FOR THE PURPOSE OF RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Notes	2020 (Rupees)
CURRENT ASSETS		
Cash and Bank Account balance	27.2	6,256,286
Trade Receivables	27.3	-
Investment in Listed Securities in the name Of Broker	27.4	7,821,850
Securities purchased for Clients		-
Listed TFCs/Corporate Bonds not less Than BBB Grade		-
PIBs		-
Treasury Bills		-
Any Other Current Asset- Margin Deposit with NCCPL		5,000
		14,083,136
CURRENT LIABILITIES		
Trade Payables	27.5	818,046
Other Liabilities	27.6	1,219,109
		2,037,155
NET CAPITAL BALANCE		12,045,981
27.1 The net capital balance has been prepared on the basis of Securities Exchange Commission (SEC) Rules, 1971, the Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) and guidelines issued by Securities and Exchange Commission of Pakistan.		
27.2 Cash and Bank account balance		
a- Cash in hand		2,000
b- Bank Balance Pertaining to brokerage house		1,412,177
c- Bank Balance Pertaining to clients		4,842,109
		6,256,286
27.3 Trade Receivable		
Book Value		-
Less: Overdue for more than 14 days		-
		-
27.4 Investment in listed securities in the name of brokerage house		
Investment at market value		9,202,176
Less: Discount at 15%		1,380,326
		7,821,850
27.5 Trade Payables		
Book Value		1,256,513
Less: Overdue for more than 30 days		(438,467)
		818,046

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RIAZ AHMED SECURITIES (PRIVATE) LIMITED

2020

		Rupees
27.6	Other liabilities	
	Trade Payable overdue for more than 30 days	438,467
	FED Payable	20,760
	Lease liabilities	488,640
	Accrued Liabilities	271,242
		1,219,109
28	Capital Adequacy	
	Total Assets	67,280,074
	Less: Total Liabilities	2,883,012
	Less: Revaluation Reserves (created upon revaluation of fixed assets)	-
	Capital Adequacy Level	64,397,062

28.1 While determining the value of the total assets of the TREC Holder, Notional Value of the TREC certificate held by the Riaz Ahmed Securities (Private) Limited the year ended June 30, 2020 as determined by Pakistan Stock Exchange (PSX) has been considered.

29

29.1 Accounting Estimates And Judgments

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 effect on the depreciation charge and impairment.

29.2

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 effect on the amortization charge and impairment.

29.3

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.

29.4

Trade debts

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

30 Financial Risk Management Objectives and Policies

30.1 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.

30.2 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:

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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.

	2020 Rupees	2019 Rupees
Long Term Investment	46,884,616	30,346,030
Long Term Advances	350,000	350,000
Cash and bank balances	6,256,286	9,860,936
	<u>53,490,902</u>	<u>40,556,966</u>

Impaired assets

During the year no impairment has been made, impairment of TREC is restated in year 2018.

30.3 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, 2020			
Account payables	1,183,065	1,183,065	1,183,065
June 30, 2019			
Account payables	1,584,500	1,584,500	1,584,500

30.4 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.

30.5 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.

30.6 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.

31 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.

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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.
- 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.

32 Information required by regulation 34 of Securites Brokers Regulation 2016

	2020	2019
a) Customer's Shares in the Central Depository System	10,936,516	7,052,326
Customer's cash in the bank Accounts	4,842,109	1,455,276
b) Securities pledged with financial institutions - Customers	NIL	NIL
Securities pledged with financial institutions - House	NIL	NIL
c) Income from Dividend	1,176,930	660,360
d) Pattern of Share holding		
Riaz Ahmed	3,459,337	3,459,337
Junaid Riaz	430,000	430,000
Nazim Riaz	430,000	430,000
Waqas Riaz	430,000	430,000
e) Total number of Shares	4,749,337	4,749,337
f) Changes in Share Holding	NIL	NIL

33 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:

	2020		2019	
	Chief Executive	Directors	Chief Executive	Directors
Managerial remuneration	120,000	360,000	120,000	360,000
Number of persons	1	3	1	3

34 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. 459,730/- as accounts payable of Directors and as director remuneration in note number 17.1.

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35 Number of Employees

Total number of employees at the end of the year was 3 (2019 :03).

36 Date of Authorization

These financial statements have been authorized for issue by the Board of Directors of Company on

05/10/2020.

37 General

Figures have been rounded off to the nearest Rupee.

The corresponding figures have been rearranged and reclassified, wherever considered necessary.

The annexed notes 1 to 37 form an integral part of these financial statements.


Chief Executive




Director