

**RIAZ AHMED SECURITIES  
(PRIVATE) LIMITED**

**Financial Statements  
For the Period Ended 30 September, 2023**

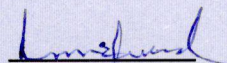
# RIAZ AHMED SECURITIES (PRIVATE) LIMITED

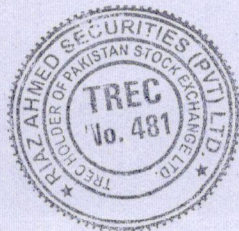
## Statement of Financial Position

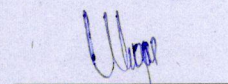
As At September 30, 2023

	Note	Unaudited Half Yearly 30-Sep-23 Rupees	Audited For the year 30-Jun-23 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	4	229,437	239,125
Right of Use asset	5	1,003,060	1,094,247
Intangible asset	6	2,500,000	2,500,000
Long Term Investment	7	62,270,054	62,270,054
Long Term Deposits	8	500,000	500,000
		66,502,550	66,603,426
<b>Current Assets</b>			
Short Term Investments	9	15,184,348	14,776,159
Account Receivables	10	412,041	63,983
Advances, deposits & pre-payments	11	105,000	80,000
Tax Refund due from Government	12	553,126	505,631
Cash and bank balances	13	6,857,227	6,329,024
		23,111,743	21,754,797
		<u>89,614,293</u>	<u>88,208,223</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital &amp; Reserves</b>			
Authorized Capital		50,000,000	50,000,000
Issued, subscribed and paid up capital	14	47,493,370	47,493,370
Unrealized surplus / (deficit) on remeasurement of investments measured at FVOCI		31,924,024	31,924,024
Unappropriated Profit / (Loss)		8,080,639	7,206,108
		87,498,032	86,623,502
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Deferred Tax Liability	15	-	-
Lease Liability	15	319,433	466,927
		319,433	466,927
<b>Current Liabilities</b>			
Account payables	16	1,044,914	480,422
Current portion of lease liability	15	589,813	593,244
Provision for Taxation	17	-	-
Accrued and Other Liabilities	18	162,101	194,128
		1,796,828	1,267,794
<b>Contingencies and Commitments</b>	19	-	-
		<u>89,614,293</u>	<u>88,358,223</u>

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Chief Executive



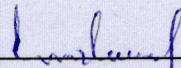
  
Director

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Profit or Loss**


**For the Year Ended September 30, 2023**

	<i>Note</i>	Unaudited Half Yearly 30-Sep-23 Rupees	Audited For the year 30-Jun-23 Rupees
Operating Revenue	20	915,571	5,481,160
Capital gain / (loss) on sale of investment - net		2,271,277	4,500,539
(Loss) / gain on re-measurement of investment carried at fair value through profit or loss-net		(1,454,017)	(3,909,796)
		<u>1,732,831</u>	<u>6,071,903</u>
Operating and Administrative Expenses	21	(1,145,659)	(4,510,422)
<b>Profit / (loss) from operation</b>		<u>587,172</u>	1,561,481
Financial charges	22	(19,095)	(62,905)
Other income	23	306,454	1,020,926
<b>Profit / (Loss) before taxation</b>		<u>874,530</u>	2,519,502
Taxation	24	-	(566,841)
<b>Profit / (Loss) after taxation</b>		<u>874,530</u>	<u>1,952,661</u>
<b>Earnings / (Loss) per share - basic &amp; diluted</b>		<u>0.18</u>	<u>0.38</u>

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**Chief Executive**

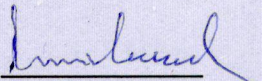


  
**Director**

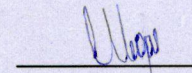
**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Other Comprehensive Income**  
**For the Year Ended September 30, 2023**

	Unaudited Half Yearly 30-Sep-23 Rupees	Audited For the year 30-Jun-23 Rupees
Profit / (Loss) after Taxation	874,531	1,952,661
Items that may be reclassified to the Profit or loss:		
Loss on remeasurement of TREC	-	-
Items that may not be reclassified to the Profit or loss:		
Gain on ISE REIT Management shares	-	9,285,886
Other comprehensive income for the year	-	2,093,876
<b>Total Comprehensive income for the year</b>	<b>874,531</b>	<b>11,238,547</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

  
**Chief Executive**

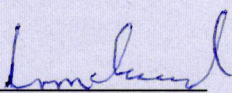


  
**Director**

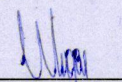
**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Cash flows**  
**For the Year Ended September 30, 2023**

	Unaudited Half Yearly 30-Sep-23 Rupees	Audited For the year 30-Jun-23 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	874,530	2,519,502
Adjustments for non cash items:		
Depreciation	100,874	646,990
Unrealised (Gain) / loss on investment	(1,454,017)	(3,909,796)
Financial charges	19,095	62,905
	<u>(1,334,047)</u>	<u>(3,199,901)</u>
<b>Operating profit before working capital changes</b>	<b>(459,517)</b>	<b>(818,899)</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in:		
Account Receivables	(348,059)	(63,983)
Advances, Deposits and prepayments	(25,000)	(18,000)
Short Term Investments	(408,189)	(1,260,857)
Increase / (decrease) in:		
Account Payables	564,491	(1,877,732)
Accrued and Other Liabilities	(32,026)	(7,489)
	<u>(248,783)</u>	<u>(3,228,061)</u>
<b>Cash utilized in operations</b>	<b>(708,300)</b>	<b>(4,058,460)</b>
Financial charges paid	(0)	(25,454)
Unrealised (Gain) / loss on investment	1,454,017	3,909,796
Lease paid	(170,019)	(644,493)
Taxes paid	(47,495)	(671,569)
	<u>1,236,503</u>	<u>2,568,280</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>528,202</b>	<b>(1,490,180)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	-	(25,000)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(25,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>528,202</b>	<b>(1,515,180)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,329,024</b>	<b>7,844,204</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,857,227</b>	<b>6,329,024</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Chief Executive



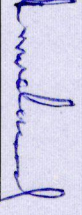
  
Director


**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Statement of Changes in Equity**  
**For the Year Ended September 30, 2023**

	Capital Reserve		Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Revenue Reserve		Total
	Share capital	Share premium		Unappropriated profit/ (Loss)		
Balance as at 01 July 2022	47,493,370	-	22,638,138	5,253,447	75,384,955	
Net profit / (loss) for the year ended June 30, 2023	-	-	9,285,886	1,952,661	11,238,547	
Balance as at 30 June, 2023	47,493,370	-	31,924,024	7,206,108	86,623,502	
Balance as at 01 July 2023	47,493,370	-	31,924,024	7,206,108	86,623,502	
Net profit / (loss) for the year ended Sept. 30, 2023	-	-	-	874,531	874,531	
Balance as at 30 September, 2023	47,493,370	-	31,924,024	8,080,639	87,498,033	

----- Rupees -----

The annexed notes 1 to 35 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 September 30, 2023

### 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 (now the Companies Act, 2017) 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 Accounting convention and Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

#### 2.3 Standards, interpretations and amendments to published approved accounting standards

##### 2.3.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

IAS 1	Presentation of financial statements	January 1, 2023 & January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IFRS 9	Financial Instruments: Disclosures	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts
IFRIC 12	Service concession arrangements

#### **2.4 Accounting estimate and Judgement**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are continually evaluated and are based on historical experience as well as expectations of future events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

- (i) Estimates of useful lives and residual values of items of property, plant and equipment;
- (ii) Estimates of useful lives of intangible assets;
- (iii) Allowance for credit losses;
- (iv) Fair values of unquoted equity investments;
- (v) Classification, recognition, measurement / valuation of financial instruments; and
- (vi) Provision for taxation

### **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.



## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

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 & 5, 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.

#### **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 on trade date basis
- 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 or loss account in the period in which they arise.

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

#### **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 as the case may be.

##### **Classification of financial assets:**

The company classifies its financial instruments in the following categories

- At fair value Through Profit or 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 or 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.

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

#### **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 or 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 ECLs.

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).

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.

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

#### **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 Lease liability and right of use asset**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract). After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability. The Company depreciates the right of use asset on straight line basis at rate specified in note 5.

#### **3.14 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.

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2023**

**4 Property and Equipment**

Particulars	Sep-23								Net Book Value as at June 30	Rate %
	Cost				Accumulated Depreciation					
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at Sep 30	As at July 01	Disposal	For the year	As at Sep 30		
	----- Rupees -----									
Computers and equipments	692,283	-	-	692,283	618,074	-	5,566	623,640	68,643	30
Office equipment	170,459	-	-	170,459	103,936	-	1,663	105,599	64,860	10
Furniture and Fixture	191,320	-	-	191,320	92,927	-	2,460	95,386	95,934	10
<b>30-Sep-23</b>	<b>1,054,062</b>	<b>-</b>	<b>-</b>	<b>1,054,062</b>	<b>814,937</b>	<b>-</b>	<b>9,689</b>	<b>824,625</b>	<b>229,437</b>	

Particulars	Jun-23								Net Book Value as at June 30	Rate %
	Cost				Accumulated Depreciation					
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at June 30	As at July 01	Disposal	For the year	As at June 30		
	----- Rupees -----									
Computers and equipments	667,283	25,000	-	692,283	586,270	-	31,804	618,074	74,209	30
Office equipment	170,459	-	-	170,459	96,545	-	7,391	103,936	66,523	10
Furniture and Fixture	191,320	-	-	191,320	81,994	-	10,933	92,927	98,393	10
<b>30-Jun-23</b>	<b>1,029,062</b>	<b>25,000</b>	<b>-</b>	<b>1,054,062</b>	<b>764,809</b>	<b>-</b>	<b>50,128</b>	<b>814,937</b>	<b>239,125</b>	

**5 Right of Use Asset**

Particulars	Sep-23								Net Book Value as at June 30	Rate %
	Cost				Accumulated Depreciation					
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at June 30	As at July 01	Disposal during the year	For the year	As at June 30		
	----- Rupees -----									
Office Room	1,790,586	-	-	1,790,586	696,339	-	91,187	787,526	1,003,060	33%
<b>30-Sep-23</b>	<b>1,790,586</b>	<b>-</b>	<b>-</b>	<b>1,790,586</b>	<b>696,339</b>	<b>-</b>	<b>91,187</b>	<b>787,526</b>	<b>1,003,060</b>	

Particulars	Jun-23								Net Book Value as at June 30	Rate %
	Cost				Accumulated Depreciation					
	As at July 01	Additions/ Adjustment	Disposal/ Adjustment	As at June 30	As at July 01	Disposal during the year	For the year	As at June 30		
	----- Rupees -----									
Office Room	1,790,586	-	-	1,790,586	99,477	-	596,862	696,339	1,094,247	33%
<b>30-Jun-23</b>	<b>1,790,586</b>	<b>-</b>	<b>-</b>	<b>1,790,586</b>	<b>99,477</b>	<b>-</b>	<b>596,862</b>	<b>696,339</b>	<b>1,094,247</b>	

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

	<i>Note</i>	<b>Unaudited Half Yearly 30-Sep-23 Rupees</b>	<b>Audited For the year 30-Jun-23 Rupees</b>
<b>6 Intangible Asset</b>			
Trading Right Entitlement Certificate	6.1	2,500,000	2,500,000
Impairment		-	-
		<u>2,500,000</u>	<u>2,500,000</u>

- 6.1** Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

Vide its notice no. PSX/N-7178 dated November 10, 2017, the PSX revised the notional value of the TREC to PKR 2.5 million. Since then there is no change in the notional value of the TRE Certificate till 30 June 2023.

**7 Long Term Investment**

ISE Towers REIT Management Company Limited (unquoted at fair value)		62,270,054	52,984,168
Adjustment for remeasurement to fair value	7.1	0	9,285,886
		<u>62,270,054</u>	<u>62,270,054</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. 1,820,762 shares are kept in blocked account 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. 20.52/- (2022: Rs. 17.46) share as per audited financials of 2023 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.

Out of total shares 2,981,650 shares are pledged with Pakistan Stock Exchange for the purpose of Base Minimum Capital (BMC) requirement. Fair value of the shares pledged as at 30th June, 2023 is Rs.61,183,458 (2022: Rs. 52,059,609).

**8 Long Term Deposits**

CDC Deposits		100,000	100,000
NCSS Deposits		200,000	200,000
PSX Deposits		200,000	200,000
		<u>500,000</u>	<u>500,000</u>

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

**9 Short Term Investments**

	Unaudited Half Yearly 30-Sep-23 Rupees	Audited For the year 30-Jun-23 Rupees
Cost of investment in listed securities	16,638,365	18,548,416
Unrealized Gain / (loss) on investment	<u>(1,454,017)</u>	<u>(3,772,257)</u>
	<u>15,184,348</u>	<u>14,776,159</u>

**Market Values**

Attock Petroleum Limited-17113 (2023:12694) shares	4,987,070	3,811,374
Engro Corporation Limited- Nil (June 30, 2023:950) shares	-	246,896
Hascol Petroleum Limited - Nil (June 30, 2023: 363,549 ) shares	-	2,017,697
Kot Addu Power Company Limited - 103026 (June 30, 2023:105,526 ) shares	2,748,734	2,194,941
MCB Bank Limited - Nil (June 30, 2023: 12722 ) shares	-	1,456,287
Millat Tractors Limited - 9,845 (June 30, 2023: 10,616 ) shares	4,116,096	4,143,531
Pakistan Petroleum Limited - 8550 (June 30, 2023: 15,310 ) shares	3,332,448	905,433
	<u>15,184,348</u>	<u>14,776,159</u>

9.1 Fair value of the securities pledged with Pakistan Stock Exchange for the purpose of Base Minimum Capital (BMC) requirement is 2,762,240.

**10 Account Receivables**

Receivable from National Clearing Company Pakistan Ltd	412,041	63,983
	<u>412,041</u>	<u>63,983</u>

10.1 These balances have been fully recovered by the Company within the credit period after year end, consequently no expected credit loss allowance is recognized.

**11 Advances, deposits & pre-payments**

NCCPL exposure deposit	105,000	80,000
	<u>105,000</u>	<u>80,000</u>

**12 Tax Refund due from Government**

Opening balance	505,631	400,903
Withheld during the year	47,495	671,569
Adjusted during the year	-	(566,841)
Closing balance	<u>553,126</u>	<u>505,631</u>

**13 Cash and bank balances**

Cash in hand		3,000	3,000
Cash in Bank			
- In saving/ Profit Accounts	13.1	596,161	415,693
- In Current Accounts		6,258,066	5,910,331
		<u>6,854,227</u>	<u>6,326,024</u>
		<u>6,857,227</u>	<u>6,329,024</u>

13.1 This represents customers' assets held in separate bank account.

13.2 Effective markup rate in respect of saving accounts for the year ranges from 13.5% to 20.55% (2022: 8% to 13.5%).

**14 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
	<u>47,493,370</u>	<u>47,493,370</u>

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

	<i>Note</i>	<b>Unaudited Half Yearly 30-Sep-23 Rupees</b>	<b>Audited For the year 30-Jun-23 Rupees</b>
<b>15 Lease Liability</b>			
Opening balance Long Term		466,927	1,667,212
Opening Current Maturity		593,244	
Interest charged during the year		19,095	37,451
			-
Less: Paid / adjustment during the Year		<u>(170,019)</u>	<u>(644,492)</u>
		909,247	1,060,171
Less: Current maturity		<u>(589,813)</u>	<u>(593,244)</u>
		<u>319,433</u>	<u>466,927</u>
<b>15.1</b>			
The Company had taken on lease office from ISE Towers REIT Management Company Limited on May 15, 2022 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.			
<b>16 Account payables</b>			
Account payables	16.1	<u>1,044,914</u>	<u>480,422</u>
		<u>1,044,914</u>	<u>480,422</u>
<b>16.1</b>			
Payable to clients relate to operating business, furthermore consists of Accounts payable to Directors amounting to Rs. 728,472/-			
<b>17 Provision for Taxation</b>			
Opening balance		-	-
Provision for the year	24	-	566,841
Adjusted during the year		-	(566,841)
Closing balance		<u>-</u>	<u>-</u>
<b>18 Accrued and Other Liabilities</b>	<i>Note</i>		
Other Payable		13,851	13,197
Accrued Liabilities		148,250	180,931
		<u>162,101</u>	<u>194,128</u>
<b>19 Contingencies and Commitments</b>			
<b>19.1 Commitments</b>			
For purchase of shares		-	6,743,673
For sale of shares		412,041	6,807,656
<b>20 Operating Revenue</b>			
Commission Income		911,671	1,899,131
Dividend Income		3,900	3,582,029
		<u>915,571</u>	<u>5,481,160</u>



**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

	<i>Note</i>	<b>Unaudited Half Yearly 30-Sep-23 Rupees</b>	<b>Audited For the year 30-Jun-23 Rupees</b>
<b>21 Operating and Administrative Expenses</b>			
Directors' Remuneration	31	240,000	960,000
Salaries & Benefits		346,500	1,380,000
Electricity and Water Charges		61,100	195,731
Telephone & Internet Charges		27,813	56,451
Entertainments		26,600	40,455
ISE Building Charges		16,065	60,213
Laga Charges		34,454	55,763
PSX Charges		-	255,591
NCSS Charges		36,574	103,333
CDC Charges		5,474	18,915
Printing and Stationary		-	23,900
Repair & Maintenance		17,765	89,684
Legal & Professional Charges		43,500	317,111
Software Updation Charges		23,625	103,950
Auditors' Remuneration	21.1	-	137,000
Postage and courier		-	370
Fee and Subscription		160,513	64,965
Other Expenses		4,800	-
Depreciation	4 & 5	100,876	646,990
		<u>1,145,659</u>	<u>4,510,422</u>
<b>21.1 Auditors' Remuneration</b>			
Statutory Audit Fee		-	66,500
Audit fee for certificates		-	60,000
PRA		-	10,500
		<u>-</u>	<u>137,000</u>
<b>22 Financial charges</b>			
Markup on Leased Asset		19,095	37,451
Bank charges		0	25,454
		<u>19,095</u>	<u>62,905</u>
<b>23 Other Income</b>			
Bank Profit		306,454	870,926
Security Deposits		-	150,000
		<u>306,454</u>	<u>1,020,926</u>
<b>24 Taxation</b>			
Current year Taxation		-	561,045
Prior year		-	5,796
		<u>-</u>	<u>566,841</u>
Deferred Taxation		-	-
		<u>-</u>	<u>566,841</u>

**24.1** Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2022. 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.

**24.2** Provision for current year includes mainly tax on dividend income and commission income under section 150 and 113 respectively of the Income Tax Ordinance, 2001.

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

**Notes to the Financial Statements**

**For the Year Ended September 30, 2023**

**25 FINANCIAL INSTRUMENTS BY CATEGORY**

Sep-23			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

**ASSETS**

**Non-current assets**

Long Term Deposits	500,000	-	-	500,000
Long Term Investment	-	62,270,054	-	62,270,054

**Current assets**

Short Term Investments	-	-	15,184,348	15,184,348
Account Receivables	412,041	-	-	412,041
Advances, deposits & pre-payments	105,000	-	-	105,000
Cash and bank balances	6,857,227	-	-	6,857,227

**LIABILITIES**

**Current liabilities**

Account payables	1,044,914	-	-	1,044,914
Accrued and Other Liabilities	162,101	-	-	162,101

Jun-23			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

**ASSETS**

**Non-current assets**

Long Term Deposits	500,000	-	-	500,000
Long Term Investment	-	62,270,054	-	62,270,054

**Current assets**

Short Term Investments	-	-	14,776,159	15,184,348
Account Receivables	63,983	-	-	412,041
Advances, deposits & pre-payments	80,000	-	-	105,000
Cash and bank balances	6,329,024	-	-	6,857,227

**LIABILITIES**

**Current liabilities**

Account payables	480,422	-	-	1,044,914
Accrued and Other Liabilities	194,128	-	-	162,101

## RIAZ AHMED SECURITIES (PRIVATE) LIMITED

### Notes to the Financial Statements

For the Year Ended September 30, 2023

2023  
Rupees

#### 26 Capital Adequacy

Total Assets	89,614,293
Less: Total Liabilities	(2,116,261)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	<u>87,498,032</u>

While determining the value of the total assets of the TREC Holder, Notional Value of the TRE certificate held by the Riaz Ahmed Securities (Private) Limited for the year ended June 30, 2023 as determined by Pakistan Stock Exchange (PSX) has been considered for Sep 2023.

#### 27 Accounting Estimates And Judgments

##### 27.1 Property 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 and equipment with a corresponding affect on the depreciation charge and impairment.

##### 27.2 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.

##### 27.3 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.

##### 27.4 Trade debts

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

#### 28 Financial Risk Management Objectives and Policies

##### 28.1 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.

## RIAZ AHMED SECURITIES (PRIVATE) LIMITED

### Notes to the Financial Statements

For the Year Ended September 30, 2023

#### 28.2 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.

	30-Sep-23 Rupees	30-Jun-23 Rupees
Long Term Investment	62,270,054	62,270,054
Long Term Deposits	500,000	500,000
Account Receivables	412,041	63,983
Advances, deposits & pre-payments	105,000	80,000
Cash and bank balances	6,854,227	6,326,024
	<u>70,141,323</u>	<u>69,240,061</u>

#### Impaired assets

During the year no impairment has been made.

#### 28.3 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 flows	One year or less
	-----Rupees-----		
<b>September 30, 2023</b>			
Account payables	1,044,914	1,044,914	1,044,914
Accrued and Other Liabilities	162,101	162,101	162,101
<b>June 30, 2023</b>			
Account payables	480,422	480,422	480,422
Accrued and Other Liabilities	194,128	194,128	194,128

#### 28.4 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.

## **RIAZ AHMED SECURITIES (PRIVATE) LIMITED**

### **Notes to the Financial Statements**

#### **For the Year Ended September 30, 2023**

##### **28.5 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.

##### **28.6 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.

##### **29 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.
- 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.

## RIAZ AHMED SECURITIES (PRIVATE) LIMITED

### Notes to the Financial Statements

For the Year Ended September 30, 2023

#### 30 Information required by regulation 34 of Securities Brokers Licensing and Operations Regulations 2016 other than those already disclosed in the financial statements

	30-Sep-23	30-Jun-23
a) Customers' Securities held in the Central Depository System	6,032,763	4,829,591
b) Securities pledged with financial institutions - Customers	44,800	120,300
c) Pattern of Share holding		
Riaz Ahmed (72.84%)	3,459,337	3,459,337
Junaid Riaz (9.05%)	430,000	430,000
Nazim Riaz (9.05%)	430,000	430,000
Waqas Riaz (9.05%)	430,000	430,000
d) Total number of Shares	4,749,337	4,749,337
e) Changes in Share Holding	NIL	NIL

30.1 The value of customers' shares held in the Central Depository System and the value of costumers' shares pledged with financial institutions as mentioned above in 30(a) and 30(b) as at September 30, 2023 is Rs. 23,190,001 and Rs. 3,643,530 respectively.

#### 31 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:

	30-Sep-23		30-Jun-23	
	For the Quarter		For the year	
	Chief Executive	Directors	Chief Executive	Directors
Managerial remuneration	60,000	180,000	240,000	720,000
Number of persons	1	3	1	3

31.1 There are Nil (2023: Nil ) employees that fall in the category of executives.

#### 32 Transactions with Related Parties

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Remuneration of related parties is disclosed in note 34. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

**RIAZ AHMED SECURITIES (PRIVATE) LIMITED****Notes to the Financial Statements****For the Year Ended September 30, 2023**

Other transactions are disclosed in below note:

Related Party	Nature of transaction	September 30,	June 30,
		2023	2023
		----- Rupees -----	
<b>Riaz Ahmad</b> Chief Executive & Director	Purchase of shares	121,504,813	362,946,643
	Sale of shares	121,060,633	359,004,504
	Brokerage income	411,381	1,200,708
	Receipts during the year	1,095,000	9,133,423
	Payments during the year	23,000	5,007,000
<b>Junaid Riaz</b> Director	Purchase of shares	19,778,814	46,588,670
	Sale of shares	19,756,139	42,671,144
	Brokerage income	63,358	155,711
	Receipts during the year	3,502	3,943,981
	Payments during the year	-	-
<b>Nazim Riaz</b> Director	Purchase of shares	9,959,903	13,734,162
	Sale of shares	9,953,173	9,895,396
	Brokerage income	34,514	65,173
	Receipts during the year	-	3,876,611
	Payments during the year	-	-
<b>Waqas Riaz</b> Director	Purchase of shares	202,426,672	57,222,135
	Sale of shares	202,072,178	54,390,898
	Brokerage income	165,250	235,912
	Receipts during the year	-	2,875,643
	Payments during the year	4,500	1,660,000

**33 Number of Employees**

Total number of employees at the end of the Quarter was 9 (2023: 09).

**34 Date of Authorization**

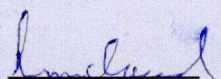
These financial statements have been authorized for issue by the Board of Directors of Company on

October 31, 2023

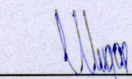
**35 General**

Figures have been rounded off to the nearest Rupee.

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

  
Chief Executive



  
Director