

INA SECURITIES (PVT) LIMITED

UN-AUDITED FINANCIAL STATEMENTS

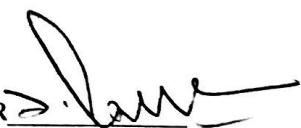
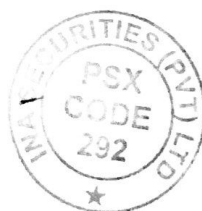
FOR THE HALF YEAR ENDED DECEMBER 31, 2019.

**INA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Intangibles	6	5,500,000	5,500,000
Long-term investments	7	14,248,750	14,544,750
Long-term deposits and prepayments	8	530,000	530,000
		20,278,750	20,574,750
CURRENT ASSETS			
Trade debts - considered good	9	346,348	785,424
Advances, deposits and prepayments	10	782,563	343,397
Short-term investments	11	11,426,130	9,254,576
Cash and bank balances	13	5,300,609	4,672,256
		17,855,650	15,055,653
TOTAL ASSETS		38,134,400	35,630,403
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	22,725,000	22,725,000
Accumulated loss		(3,701,434)	(5,821,308)
		19,023,566	16,903,692
Share deposit money		4,400,000	4,400,000
Revaluation surplus	15	8,611,562	8,907,562
		32,035,128	30,211,254
NON CURRENT LIABILITIES			
Long term loan	16	3,100,000	3,100,000
CURRENT LIABILITIES			
Trade and other payables	18	2,998,182	2,304,858
Taxation - net	12	1,090	14,291
		2,999,272	2,319,149
CONTINGENCIES AND COMMITMENTS			
	19	-	-
TOTAL EQUITY AND LIABILITIES		38,134,400	35,630,403

The annexed notes form 1 to 33 an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR


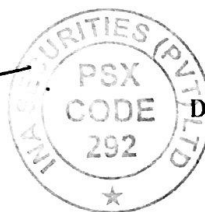


INA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2019

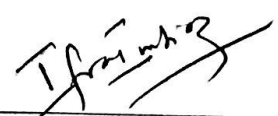
	NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES
REVENUE			
Brokerage income - net	20	52,321	16,739
Profit / (Loss) on sale of investment		(403,082)	(52,880)
Profit / (Loss) on investment	21	1,977,446	(4,613,269)
Share of profit / (loss) from associate	7	-	-
Dividend income	22	948,140	871,237
		2,574,825	(3,778,173)
EXPENSES			
Administrative and general expense	23	(433,688)	(807,468)
Operating profit		<u>2,141,136</u>	<u>(4,585,641)</u>
Other income	24	153,971	585,474
Finance charges	25	(836)	(2,717)
Profit before taxation		<u>2,294,272</u>	<u>(4,002,884)</u>
Provision for taxation	12	(174,398)	(248,862)
Profit / (loss) after taxation		<u>2,119,874</u>	<u>(4,251,746)</u>
Other comprehensive income			
Items that may be reclassified to profit and loss account subsequently		(296,000)	4,967,812
Items that may not be reclassified to profit and loss account subsequently			
Total comprehensive (loss) / income for the year		<u><u>1,823,874</u></u>	<u><u>716,066</u></u>
Earning per share - basic	29	<u><u>0.09</u></u>	<u><u>(0.19)</u></u>

The annexed notes form 1 to 33 an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**INA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019**

Particulars	Share capital	Accumulated loss	Share deposit money	Revaluation surplus	Directors' loan	Total
Balance as at June 30, 2018	22,725,000	(1,569,562)	4,400,000	3,939,750	-	29,495,188
Increase in paid up capital	-	-	-	-	-	-
Re-payment of directors' loan	-	-	-	-	-	-
Re-classification from director's loan to long term loan	-	-	-	-	-	-
Total comprehensive income for the year ended June 30, 2019	-	(4,251,746)	-	-	-	(4,251,746)
Share deposit money	-	-	-	-	-	-
Revaluation deficit	-	-	-	4,967,812	-	4,967,812
Balance as at June 30, 2019	22,725,000	(5,821,308)	4,400,000	8,907,562	-	30,211,254
Increase in paid up capital	-	-	-	-	-	-
Re-payment of directors' loan	-	-	-	-	-	-
Re-classification from director's loan to long term loan	-	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2019	-	2,119,874	-	-	-	2,119,874
Share deposit money	-	-	-	-	-	-
Revaluation surplus	-	-	-	(296,000)	-	(296,000)
Balance as at December 31, 2019	22,725,000	(3,701,434)	4,400,000	8,611,562	-	32,035,128

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CHIEF EXECUTIVE OFFICER





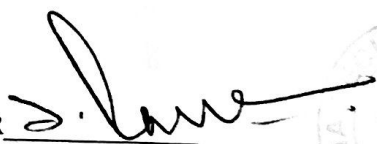
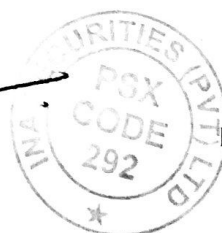
DIRECTOR

INA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2019

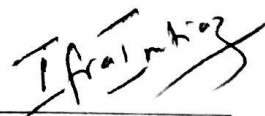
	31-Dec-19 RUPEES	30-Jun-19 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	2,294,272	(4,002,884)
<i>Adjustments for non cash and other items:</i>		
Finance cost	836	2,717
Share of loss in associate - net of taxation	-	-
Profit / (Loss) on investment	(1,977,446)	4,613,269
	(1,976,610)	4,615,986
Changes in working capital		
<i>(Increase) / Decrease in current assets</i>		
Trade debts	439,076	(754,731)
Short term deposits	(439,166)	(24,022)
	(90)	(778,753)
<i>Increase / (Decrease) in current liability</i>		
Trade and other payables	693,324	421,496
Net cash inflow / (outflow) from operations	1,010,896	255,844
Income taxes paid	(187,599)	(254,687)
Finance cost paid	(836)	(2,717)
Net cash inflow / (outflow) from operating activities	822,461	(1,560)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment at fair value	(194,108)	(4,657,765)
Net cash (outflow) / inflow from investing activities	(194,108)	(4,657,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in share capital	-	-
Repayment of director's loan	-	-
Share deposit money	-	-
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	628,353	(4,659,324)
Cash and cash equivalents at the beginning of the year	4,672,256	9,331,580
Cash and cash equivalents at the end of the year	5,300,609	4,672,256

The annexed notes form 1 to 33 an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



INA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019

1. CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

INA Securities (Private) Limited is a private limited company incorporated in Pakistan vide incorporation number 0068239 on December 03, 2008 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

The company is the Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited. The objective of the Company is to run and manage stock/securities brokerage house.

The registered office of the Company is situated at 17 G, Gulberg-2, Lahore-54660. The company is engaged in brokerage of shares, portfolio management, investment advisory, consultancy and underwriting services.

1.2 SEPARATE FINANCIAL STATEMENTS

These financial statements are separate financial statements of the INA Securities (Private) Limited and the only financial statements prepared by the company.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

International Financial Reporting Standards for Public Interest Company (PIC).

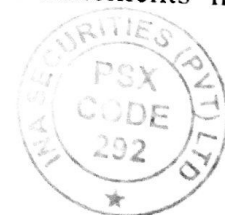
Provisions of and directives issued under the Companies Act, 2017.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the accounting policies below.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.



3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT BECOME EFFECTIVE

3.1 The Company has adopted the following amendments in accounting standard and interpretation of IFRSs which became effective for the current year:

IAS 28	–	Investments in Associates and Joint Ventures – Annual Improvements to IFRS 2014–2016 Cycle
IAS 40	–	Investment Property – Transfers of Investment Property (Amendments)
IFRS 2	–	Share-based Payment – Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	–	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRS 9	–	Financial Instruments
IFRS 15	–	Revenue from Contracts with Customers
IFRIC 22	–	Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments, and improvements to accounting standards and interpretations did not have any effect on the financial statements.

Impact of IFRS 9

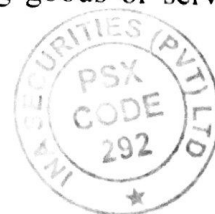
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual period ending on or after June 30, 2019 bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

The application of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

The management reviewed and assessed the Company's existing financial assets for impairment in accordance with the guidance included in IFRS 9, to determine the credit risk associated with the respective financial assets and concluded that there is no material impact on the Company's financial assets with regards to impairment requirements of IFRS 9.

Impact of IFRS 15

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.



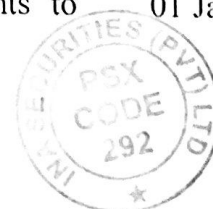
IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures. The management reviewed and assessed the Company's existing contracts with the customers in accordance with the guidance included in IFRS 15 and concluded that there is no material impact on the revenue recognition of the Company.

The adoption of the above standards, amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

3.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

3.2.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective Date
<i>(Annual periods beginning on or after)</i>		
IAS 1	– Presentation of Financial Statements Amendments	01 January 2020
IAS 8	– Accounting Policies, Changes in Accounting Estimates and Errors Amendments	01 January 2020
IAS 12	– Income Taxes – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IAS 19	– Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 23	– Borrowing Costs – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IAS 28	– Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IFRS 3	– Business Combinations – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IFRS 3	– Business Combinations Amendments	01 January 2020
IFRS 9	– Financial Instruments – Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IFRS 16	– Leases	01 January 2019
IFRS 11	– Joint Arrangements – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019



IFRIC 23	-	Uncertainty over Income Tax Treatments	01 January 2019
	-	Conceptual Framework for Financial Reporting	01 January 2020

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

3.2.2 In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard <i>(Annual periods beginning on or after)</i>	IASB effective date
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IFRS - 1	First - Adoption of International Financial Reporting Standards	
IFRS - 14	Regulatory Deferral Accounts	01 January 2016
IFRS - 17	Insurance Contracts	01 January 2021

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

4. KEY JUDGMENTS AND ESTIMATES

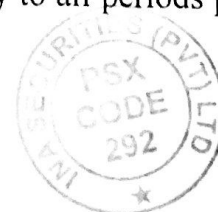
The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimate are significant to the financial statements are documented in the following accounting policies and notes and relate primarily to:

- Useful lives, residual values and amortization method of intangible assets - Note 5.1
- Current income tax expense, provision for current tax - Note 5.7
- Fair value adjustment of financial assets other than inventories - Note 5.11

The revision to accounting estimates (if any) are recognized in the period in which the estimates is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

5. SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



5.1 Intangible assets

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance date to assess whether it is in excess of its recoverable amount. Where the carrying amount exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

5.2 Trading rights entitlement certificates and right to use room

TREC is stated at the notional value determined by Pakistan Stock Exchange Limited at the time of issue. The carrying amount is reviewed at each balance sheet date to assess whether this is recorded in excess of their recoverable amounts, and where carrying values exceeds estimated recoverable amounts, these are written down to their estimated recoverable amount. Right to use room is leasehold right to use room given by Pakistan stock exchange for indefinite useful life. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits. Both TREC and right to use room are treated as intangibles.

5.3 Impairment of assets

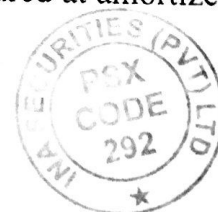
An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

5.4 Investments

Investments intended to be held for less than twelve months from the balance sheet or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current.

5.4.1 Held to maturity

These are securities with fixed or determinable payments and fixed maturity where the company has the positive intent and ability to hold to maturity. These are measured at amortized cost less any impairment loss recognized to reflect irrecoverable amounts.



5.4.2 Short term investments available for sale

These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

5.4.3 Long term investment available for sale

These represent shares in Lahore Stock Exchange Limited, a public unlisted company, therefore they have been stated at cost. Cost is determined as the value of membership card with which it has been exchanged. For this purpose, the cost of the membership card has first been allocated to the shares allocated to the shares of LSE @ Rs. 10/- being the par value and remaining cost has been allocated to the TREC.

5.5 Trade and other receivables

Trade debts and other receivables are stated at fair value and subsequently measured at amortized cost less any identified impairment loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

5.6 Revenue recognition

The company recognizes revenue from contract with customer based on a five step model as set out in IFRS 15.

Revenue represents the fair value of the consideration received or receivable for services rendered net of discounts. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Company and the amount of revenue, and the associated loss incurred, or to be incurred, can be measured reliably.

Brokerage/commission: At the provision of services i.e. execution of client order.

Capital gain/loss: At the disposal of the assets.

Dividend: When the right to receive the dividend is established.

Bank profit and others: On accrual basis.

5.7 Taxation

Provision for current taxation is based on the taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax on turnover or alternative corporate tax, whichever is higher.

Deferred tax is accounted for using the liability method in respect of all taxable 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 profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be



available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

5.8 Provisions

Provisions are recognized in the balance sheet when the Company has a 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 of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

5.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

5.10 Trade and other payables

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, subsequently at amortized cost using effective interest rate method.

Other amounts payable is carried at cost which is the fair value of the consideration to be paid in future for goods and services.

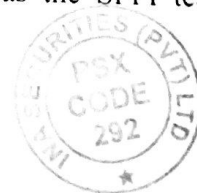
5.11 Financial instruments

5.11.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the company has applied the practical expedient, the company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is



performed at it an instrument level. The company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the date that the company commits to purchase or sell the assets.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments).
- ii) Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with The objective to held financial assets in order to collect contractual cash flows; and

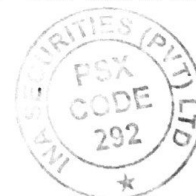
The contractual terms of The financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on The principal amount outstanding financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables.

c) Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
 - The Company has transferred its rights to receive cash flows from The asset or has assumed an obligation to pay The received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.
- a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

5.11.2 Financial liabilities

a) Initial recognition and measurement

Financial Liabilities are classifying, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

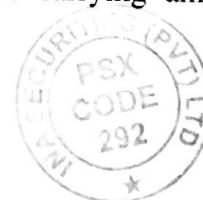
b) Subsequent measurement

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments.

Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial Liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, for the terms of existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition a new liability. The differences in the respective carrying amounts is



INA Securities (Private) Limited

Notes to the financial statements for the period ended December 31, 2019

recognized in the statement of profit or loss.

5.11.3 Off Setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when there is a legally enforceable right to set off and the company intends either to settle On a net basis or to realize the assets and to settle the liabilities simultaneously.

5.12 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and staff and retirement benefit funds.

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method.



INA SECURITIES (PRIVATE) LIMITED
Notes to the Financial Statements for the Period Ended December 31, 2019

	NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES
6 INTANGIBLES			
Trading Rights Entitlement Certificate (TREC)	6.1	2,500,000	2,500,000
Right to use room at Lahore Stock Exchange	6.2	3,000,000	3,000,000
		<u>5,500,000</u>	<u>5,500,000</u>
6.1 This represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited after the merger of all the three exchanges of Pakistan in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act. 2012 (The Act).			
6.2 This represent cost of leasehold right to use room given by LSE Financial Services Limited for indefinite useful life as per notice of LSE no LSE-4757 dated November 12, 2009. During the year, the value of room taken on the basis of general auction notice dated March 28, 2018. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.			
7 LONG-TERM INVESTMENTS			
Available for sale			
LSE Financial Services Limited (formerly LSE) 843,975 (2019: 843,975) shares	7.1	8,439,750	8,439,750
Leiner Pak Gelatine Limited Shares 370,000 (2019: 370,000)	7.2	5,809,000	6,105,000
		<u>14,248,750</u>	<u>14,544,750</u>
7.1 LSE Financial Services Shares			
Opening		8,439,750	8,439,750
Fair value adjustment	7.1.1	-	-
Closing balance		<u>8,439,750</u>	<u>8,439,750</u>
7.1.1 As per notice dated June 12, 2018, the value of LSE financial service Limited shares should be valued at face value of Rs. 10/- each.			
7.2 Leiner Pak Gelatine Limited Shares			
Opening		6,105,000	1,137,188
Share of Profit / (loss) from associate		-	-
Fair value adjustment	7.2.2	(296,000)	4,967,812
Closing balance		<u>5,809,000</u>	<u>6,105,000</u>
7.2.2 This represents Ordinary shares of LPGL, a listed company. Formally this company was an associated company on the basis of 71% shareholding of Khwaja Imtiaz Ahmed and 10% of shareholding acting as a Managing Director in LPGL. Now, Khwaja Imtiaz Ahmed has disposed his shareholding to 9.47% and resigned from CEO and Directorship. The market value of holding shares as at December 31, 2019 was Rs. 5,809 million (June 30, 2019: Rs. 6,105 million).			
8 LONG-TERM DEPOSITS AND PREPAYMENTS			
National Clearing Company of Pakistan (NCCPL)		400,000	400,000
Central Depository Company of Pakistan (CDC)		100,000	100,000
LSE Financial Services Limited Clearing House		30,000	30,000
		<u>530,000</u>	<u>530,000</u>
9 TRADE DEBTS - CONSIDERED GOOD			
Trade debts		346,348	785,424
Other receivables		-	-
		<u>346,348</u>	<u>785,424</u>
9.1 The management believes that no impairment / provision is necessary in respect of trade debts as there are reasonable grounds to believe that amount will be recovered in the future.			



INA SECURITIES (PRIVATE) LIMITED
Notes to the Financial Statements for the Period Ended December 31, 2019

NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES
10 ADVANCES, DEPOSITS AND PREPAYMENTS		
Margin deposit	778,000	328,000
Sales tax receivable	4,563	15,397
	<u>782,563</u>	<u>343,397</u>
11 SHORT-TERM INVESTMENTS		
5,200 (2019 5,200) M/S Engro Fertilizer Limited	315,022	315,022
3,160 (2019 2,960) M/S Engro Corporation Limited	721,825	671,944
10,000 (2019 10,000) M/S Fauji Cement Company Limited	279,426	279,426
12,700 (2019 12,200) M/S Fauji Fertilizer Bin Qasim Limited	497,370	489,281
8,600 (2019 8,600) M/S Fauji Fertilizer Company Limited	895,747	895,747
7,200 (2019 7,000) M/S Glaxo Smithkline Pakistan Limited	1,093,209	1,075,424
2,700 (2019 2,500) M/S Glaxo Smithkline Consumer Health Care Pakistan Limited	319,593	284,805
3,700 (2019 11,200) M/S Hascal Petroleum Limited	1,159,005	812,355
11,000 (2019 10,500) M/S Kot Addu Power Company Limited	613,173	598,083
7,155 (2019 6,500) M/S Kohinoor Energy Limited	261,680	241,088
6,700 (2019 6,700) M/S KSB Pumps Limited	2,033,544	2,033,544
5,000 (2019 5,000) M/S Lotte Chemical Pakistan	79,468	79,468
6,800 (2019 6,600) M/S Oil and Gas Development Company Limited	1,066,337	1,041,900
600 (2019 330) M/S Pak Oxy Limited (LINDE Pakistan)	87,089	53,403
9,240 (2019 5,7,650) M/S Pakistan Petroleum Limited	1,189,396	1,182,762
9,000 (2019 9,000) M/S Pakistan Stock Exchange Limited	184,108	184,108
3,600 (2019 3,400) M/S Shell Pakistan Limited	894,715	860,427
3,200 (2019 3,000) M/S Shifa Int. Hospital Limited	656,567	620,409
14,800 (2019 14,800) M/S Treet Corporation Limited	481,119	481,119
40,000 (2019 NIL) M/S Worldcall Telecom Limited	46,397	-
10,000 (2019 10,000) NIT Islamic Equity Fund Unit	100,000	100,000
Fair value adjustment	12,974,791 (1,548,661)	12,300,315 (3,045,739)
Closing value	<u>11,426,130</u>	<u>9,254,576</u>
12 TAXATION - NET		
Opening balance	(14,291)	(20,116)
Tax deducted / paid during the year	187,599	254,687
Current taxation:	173,308	234,571
Provision for the year	(142,238)	(226,576)
Prior year adjustment	(32,160)	(22,286)
	(174,398)	(248,862)
Closing receivable / (payable)	<u>(1,090)</u>	<u>(14,291)</u>
13 CASH AND BANK BALANCES		
Cash in hand	4,611	1,434
Cash at bank:		
Brokers account - current account	2,181,445	2,661,967
Clients account - current account	3,114,552	2,008,855
	5,295,998	4,670,822
	<u>5,300,609</u>	<u>4,672,256</u>
14 SHARE CAPITAL		
14.1 Authorized share capital		
4,000,000 (2019 4,000,000) ordinary share of Rs. 10/- each	<u>40,000,000</u>	<u>40,000,000</u>
14.2 Issued, subscribed and paid up capital		
2,272,500 (2019 2,272,500) ordinary shares of Rs.10/- each	<u>22,725,000</u>	<u>22,725,000</u>



INA SECURITIES (PRIVATE) LIMITED*Notes to the Financial Statements for the Period Ended December 31, 2019*

	NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES
15 REVALUATION SURPLUS			
Trading Right Entitlement Certificate (TREC)	15.1	580,000	580,000
LSE Financial Services Limited (formerly LSE)	7.1.1	4,359,750	4,359,750
Right to use room at Lahore Stock Exchange	6.2	(1,000,000)	(1,000,000)
Leiner Pak Gelatine Limited Shares	7.2.2	4,671,812	4,967,812
		<u>8,611,562</u>	<u>8,907,562</u>
15.1 This represents surplus created by the revaluation of Trading Right Entitlement Certificate (TREC) as per notice no. PSX/N-7178 dated November 10, 2017			
16 LONG TERM LOAN - UNSECURED			
	16.1	<u>3,100,000</u>	<u>3,100,000</u>
16.1 This represents unsecured loan injected by the shareholder of the company at nil mark up basis and is repayable upon the financial ease of the company			
17 DEFERRED TAXATION			
Deferred tax asset as at December 31, 2019 amounting to Rs. 42,958/- (2019: 80,758/-) due to unused tax losses and tax credits have not been recognized as sufficient future taxable profits may not be available against which said deferred tax asset can be utilized. There being no taxable temporary differences.			
18 TRADE AND OTHER PAYABLES			
Trade payables		2,936,298	1,833,469
Accrued liabilities		36,364	146,639
Auditor remuneration payable		25,520	204,750
Rent security		-	120,000
		<u>2,998,182</u>	<u>2,304,858</u>
19 CONTINGENCIES AND COMMITMENTS			
19.1 CONTINGENCIES			
There are no contingencies as at December 31, 2019 (2019: nil).			
19.2 COMMITMENTS			
The Company has lien the TRE certificate's Pakistan Stock Exchange and 337,590 number of shares with Pakistan Stock Exchange in compliance with Base Minimum Capital (BMC) requirement under the regulations governing risk management of PSX.			
20 BROKERAGE INCOME - NET			
Brokerage income - gross		60,692	19,417
Sales tax on services		(8,371)	(2,678)
		<u>52,321</u>	<u>16,739</u>
21 INCOME FROM INVESTMENT			
Profit / (loss) on investment at fair value through profit and loss account		<u>1,977,446</u>	<u>(4,613,269)</u>
22 DIVIDEND INCOME			
Dividends from short-term investment		<u>948,140</u>	<u>871,237</u>



INA SECURITIES (PRIVATE) LIMITED
Notes to the Financial Statements for the Period Ended December 31, 2019

	NOTE	31 Dec-19 RUPEES	30-Jun-19 RUPEES
23 ADMINISTRATIVE AND GENERAL EXPENSE			
Legal and professional charges		50,025	80,525
Internet charges		61,950	131,700
Auditors' remuneration	23.1	25,520	367,500
Rent, rate and taxes		132,302	103,675
Printing and stationery		14,721	-
Fee and subscription		89,031	85,263
Others		60,140	38,805
		<u>433,688</u>	<u>807,468</u>
23.1 AUDITORS' REMUNERATION			
Audit fee		25,520	126,000
Other certification charges		-	241,500
		<u>25,520</u>	<u>367,500</u>
24 OTHER INCOME			
Income from financial assets:			
Profit on margin deposit		20,347	18,974
Income from assets other than financial assets:			
Rental income		-	566,500
Other Income (loss)		133,624	
		<u>153,971</u>	<u>585,474</u>
25 FINANCE CHARGES			
Bank charges		836	2,717
26 PROVISION FOR TAXATION			
Provision for current taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any			
27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES			
As per attached.			
28 RELATED PARTY TRANSACTIONS			
The Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method			
Transactions with related parties during the period are as follows			
Name and basis of relationship	Nature of transaction	Percentage of Shareholding	
Khawaja Imtiaz Ahmed	Loan	9.47%	
29 EARNING PER SHARE			
Total comprehensive income for the year		2,119,874	(4,251,746)
Weighted average no. of ordinary shares outstanding during the year		22,725,000	22,725,000
Basic earning per share		0.09	(0.19)
30 CASH AND BANK EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprises of the following statement of financial position amounts			
Cash and bank balances		5,300,609	4,672,256



INA SECURITIES (PRIVATE) LIMITED
Notes to the Financial Statements for the Period Ended December 31, 2019

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

DESCRIPTION	INTEREST / MARK UP BEARING		NON INTEREST / MARK-UP BEARING		TOTAL		
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	Sub Total	Dec 31, 2019	June 30, 2019
FINANCIAL ASSETS							
Long term investment	-	14,248,750	-	14,248,750	14,248,750	14,248,750	14,544,750
Long term deposits and prepayments	-	530,000	-	530,000	530,000	530,000	530,000
Trade debits (Unsecured and considered good)	-	-	346,348	-	346,348	346,348	785,424
Short term deposit	778,000	-	-	-	778,000	778,000	328,000
Short term investment at fair value through profit and loss	-	-	11,426,130	-	11,426,130	11,426,130	9,254,576
Cash and bank balances	-	-	5,300,609	-	5,300,609	5,300,609	4,672,256
	778,000	14,778,750	17,073,086	14,778,750	31,851,836	32,629,836	30,115,006
FINANCIAL LIABILITIES							
Loan from directors	-	-	-	-	-	-	-
Long term loan	-	3,100,000	-	3,100,000	3,100,000	3,100,000	3,100,000
Trade and other payables	-	-	2,998,182	-	2,998,182	2,998,182	2,304,858
	-	-	2,998,182	3,100,000	6,098,182	6,098,182	5,404,858
Off - balance sheet financial instruments							
Guarantees	-	-	-	-	-	-	-

27.1 Financial Instruments and Financial risk management

The company's activities are exposed to a variety of financial risks, namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner

27.2 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. However, this risk is mitigated by applying individual credit limits to high credit rating parties, and constant monitoring of credit

27.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments



INA SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements for the Period Ended December 31, 2019

27.4 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	31-Dec-19	
	Carrying amount	Contractual cash flows
Trade and other payables	2,998,182	2,998,182
Accrued interest	-	-
	<u>2,998,182</u>	<u>2,998,182</u>
	30-Jun-19	
	Carrying amount	Contractual cash flows
Trade and other payables	2,304,858	2,304,858
Accrued interest	-	-
	<u>2,304,858</u>	<u>2,304,858</u>

27.5 Capital Risk Management

The company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debts. The gearing ratio as at period ended December 31, 2019 and June 30, 2019 are as follows:-

	31-Dec-19	30-Jun-19
	Rs.	Rs.
Total Borrowing	3,100,000	3,100,000
Less: Cash and bank balances	5,300,609	4,672,256
Net Debt	(2,200,609)	(1,572,256)
Total Equity	23,423,566	21,303,692
Total Capital	<u>21,222,957</u>	<u>19,731,436</u>
Gearing Ratio	(10.37)	(7.97)

27.6 Fair Value of Financial Instruments

The Carrying amounts of financial assets and financial liabilities approximate their fair values.



INA SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements for the Period Ended December 31, 2019

	NOTE	31-Dec-19 RUPEES	30-Jun-19 RUPEES	
30.1 Reconciliation of liabilities arising from financing activities:				
	As at June 30, 2019	Non Cash Changes	Cash Flows	As at Dec 31, 2019
Share capital	22,725,000	-	-	22,725,000
Share deposit money	4,400,000	-	-	4,400,000
Director loan	-	-	-	-
Long term loan	3,100,000	-	-	3,100,000
	<u>30,225,000</u>	<u>-</u>	<u>-</u>	<u>30,225,000</u>

30 NUMBER OF EMPLOYEES

Total number of employees at the year end
Average number of employees during the year

-	-
-	-

30.1 Average and number of employees during the year in factory not applicable to the company.

31 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 13, 2020 by the Board of Directors.

32 GENERAL

- Figures have been rounded off to the nearest rupee, unless otherwise stated
- Corresponding figures, where necessary, have been rearranged for the purpose of comparison. Significant reclassification for better presentation include:

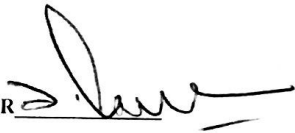
33 CAPITAL ADEQUACY LEVEL

Total Assets	38,134,400	35,630,403
Less: Total liabilities	(6,099,272)	(5,419,149)
Less: Revaluation Reserves (Created upon revaluation of fixed assets)	(8,611,562)	(8,907,562)
Capital Adequacy Level	<u>23,423,566</u>	<u>21,303,692</u>

Note:-

1. While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the INA Securities (Pvt) Limited as at period ended December 31, 2019 as determined by Pakistan Stock Exchange has been considered.

CHIEF EXECUTIVE OFFICER




DIRECTOR

