

SAZ CAPITAL SECURITIES (PRIVATE)
LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SAZ CAPITAL SECURITIES (PRIVATE) LIMITED** "the company" as at **June 30, 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming parts thereof (here-in-after referred to as the "financial statements"), for the year then ended. We state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirement of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above statements.

We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of account have been kept by the company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the profit, its comprehensive income, its cash flows and its changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

DATE: 03 OCT 2017
KARACHI

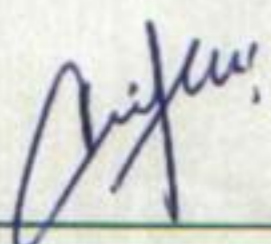
Uhy Hassan Naeem & Co
Chartered Accountants
Imran Iqbal

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SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

	<i>Note</i>	2017 (Rupees)	2016 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	13,123,762	10,464,199
Intangible assets	5	2,750,000	15,250,000
Investment - available for sale	6	41,163,833	40,073,830
Long term investment	7	9,000,000	9,000,000
Long term deposits	8	3,371,573	1,366,500
		69,409,168	76,154,529
CURRENT ASSETS			
Short term investment	9	-	5,093,425
Deferred tax		-	12,530,413
Tax refundable		5,575,700	5,575,700
Trade debts - unsecured considered good	10	4,936,566	33,180,379
Advances, deposits, prepayments and other receivables	11	45,249,951	8,035,499
Cash and bank balances	12	148,315,228	45,863,595
		204,077,445	110,279,011
		273,486,613	186,433,540
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	13	92,500,000	92,500,000
Unappropriated profit		98,513,636	69,490,063
Surplus/(Deficit) on investment available for sale		25,134,303	-
		216,147,939	161,990,063
CURRENT LIABILITIES			
Trade and other payable	14	57,338,674	24,443,477
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		273,486,613	186,433,540

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



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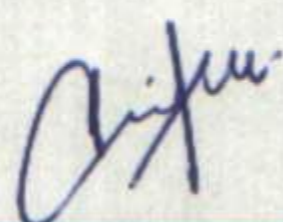
DIRECTOR

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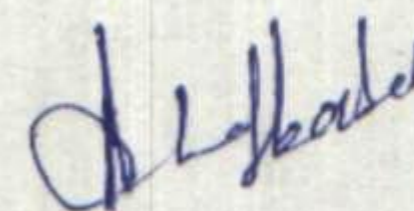
SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	<i>Note</i>	June 30, 2017 (Rupees)	June 30, 2016 (Rupees)
Operating revenue	16	20,471,867	8,757,553
Impairment loss on investment		(12,500,000)	-
Operating and administrative expenses	17	(13,266,570)	(10,293,902)
Other income	18	46,943,191	14,858,604
NET PROFIT BEFORE TAXATION		<u>41,648,488</u>	<u>13,435,058</u>
Taxation - net	19	(12,624,914)	(1,837,280)
NET PROFIT AFTER TAXATION		<u><u>29,023,574</u></u>	<u><u>11,597,778</u></u>
Earning per share-basic and diluted		<u><u>31.38</u></u>	<u><u>12.54</u></u>

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



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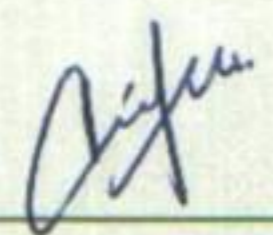
DIRECTOR

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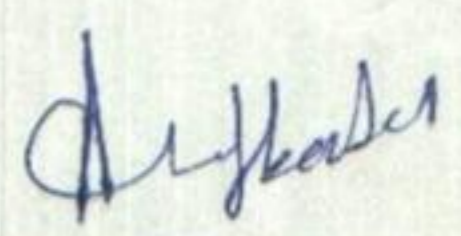
SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, subscribed and paid-up capital	Accumulated Profit	Surplus/(Deficit) on investment available for sale	Total
-----Rupees-----				
Balance as at July 01, 2015	92,500,000	57,892,284	-	150,392,284
Profit for the year ended June 30, 2016	-	11,597,778	-	11,597,778
Balance as at June 30, 2016	92,500,000	69,490,062	-	161,990,062
Profit for the year ended June 30, 2017	-	29,023,574	-	29,023,574
Surplus/(Deficit) on investment available for sale		-	25,134,303	25,134,303
Balance as at June 30, 2017	92,500,000	98,513,636	25,134,303	216,147,939

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



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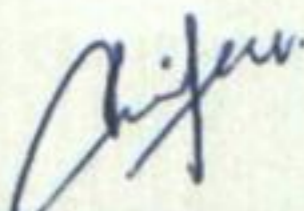
DIRECTOR

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SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	(Rupees)	(Rupees)
Profit for the period	29,023,574	11,597,778
Surplus/(Deficit) on investment available for sale	25,134,303	-
Total Comprehensive Income	<u><u>54,157,877</u></u>	<u><u>11,597,778</u></u>

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



CHIEF EXECUTIVE



DIRECTOR

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

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	Note	2017 (Rupees)	2016 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		41,648,488	13,435,058
Adjustment for non-cash items:			
Depreciation		1,327,437	107,051
Capital Gain - Investment available for sale		(42,837,484)	97,622
Dividend income		(440,812)	(1,282,363)
Capital Gain on short term investment		(582,837)	-
Gain on disposal of fixed assets		(270,000)	(9,600,000)
Impairment-TREC		12,500,000	67,670
Operating profit before working capital changes		(30,303,696)	(10,610,020)
Changes in working capital			
(Increase)/Decrease in trade debts		28,243,813	4,487,724
(Increase)/Decrease in advances, deposits and prepayments		(29,166,949)	(2,306,346)
(Increase)/Decrease in long term deposits		(2,005,073)	(100,000)
Increase/(Decrease) in trade and other payable		32,895,197	(20,335,290)
Net changes in working capital		29,966,988	(18,253,912)
Taxes paid		(8,142,004)	(2,543,589)
Net cash generated from operating activities		33,169,776	(17,972,462)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(3,987,000)	-
Proceeds from investment available for sale		66,881,784	-
Proceeds from sale of property and equipment		270,000	9,600,000
Dividend received		440,812	1,282,363
Short term investment		5,676,262	(5,118,447)
Net cash generated from investing activities		69,281,858	5,763,916
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash generated from financing activities		-	-
Net increase in cash and cash equivalent		102,451,634	(12,208,547)
Cash and cash equivalent at beginning of the year		45,863,595	58,072,141
Cash and cash equivalent at end of the year		148,315,229	45,863,595

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


CHIEF EXECUTIVE


DIRECTOR

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SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 Legal Status and Nature of Business

Saz Capital Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 20, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange (Guarantee) Limited. The registered office of the company is located at room no. 608, 6th floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company are to carry on the business of share brokerage, under writing of public issues, investment and portfolio management.

2 Basis of Preparation

2.1 Statement of Compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, 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) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically specified.

2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company.

2.4 Critical Accounting Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, value of intangibles and provision for doubtful receivables.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 New and Amended Standards and interpretations

The adoption of the new and amended standards, amendments / improvements and interpretations did not have any material effect on these financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.5.2 Standards, Interpretation and Amendments to approved accounting standards that are not yet effective

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

Description effective for periods		Effective for periods beginning on or after
IFRS 2	Share-based Payment - Amendments relating to classification and measurement of Share-based Payment Transactions	January 01, 2018
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or contribution of Assets between an investor and its Associate or Joint Venture	Not yet finalized
IAS 7	Statement of Cash Flows - Amendments relating to Disclosure Initiative	January 01, 2017
IAS 12	Income Taxes - Amendments relating to recognition of Deferred Tax Assets for unrealized losses	January 01, 2017
IFRS 4	Insurance Contract: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	January 01, 2018
IAS 40	Investment Property: Transfer of Investment Property (Amendments)	January 01, 2018
IFRIC 22	Foreign Currency Transaction and Advance Consideration	January 01, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019
IFRS 16	Leases	January 01, 2019

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2017. The Company expects that such improvements to the standards will not have material effect on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

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Description effective for periods		Effective for periods beginning on or after
IFRS 9	Financial Instruments	January 01, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 01, 2018
IFRS 16	Leases	January 01, 2019
IFRS 17	Insurance Contract	January 01, 2021

3 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Taxation

Income tax expense comprises of current, and prior year. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.1.1 Current

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of prior years.

3.1.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax base and carrying amount of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

However the company is subject to taxation from next year that is based on transaction volume. As the tax is not levied on the basis of profits therefore deferred tax liability/asset is not recognized.

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying

amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using reducing balance method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.3 Intangible Assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using the straight line method over assets estimated useful life at the rates stated therein, after taking into account residual value, if any. The residual values, useful lives and amortization methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed off. Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

3.4 Impairment

3.4.1 Financial Assets

A financial asset, other than that carried at fair value through profit or loss, is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred and that the loss event has a negative effect on the estimated future cash flows of that asset.

In case of investment in equity securities classified as available for sale and measured at fair value, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists, the cumulative loss measured as a difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized, is transferred from other comprehensive income to profit and loss account. Such impairment losses are not subsequently reversed through the profit and loss account.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the profit and loss account.

3.4.2 Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized previously. Reversal of an impairment loss is recognized immediately in profit and loss account.

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3.5 Financial Instruments

3.5.1 Financial Assets

The Company classifies its financial assets at initial recognition in the following categories depending on the nature and purpose for which the financial assets were acquired:

At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those having maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, interest accrued, other receivables, cash and bank balances.

Held to maturity

These are financial assets with fixed or determinable payment and fixed maturity which the Company has positive intent and ability to hold to the maturity.

Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

At each balance sheet date, these investments are re-measured at fair value and the resulting gains or losses are recognized directly in equity until the investment is disposed off or impaired at which time these are transferred to the profit and loss account.

Where active market of the quoted investment exists, fair value of quoted investments is determined using quotations of Pakistan Stock Exchange. The investments, for which a quoted market price is not available, are measured at cost, unless fair value can be reliably measured. Such fair value estimates are subjective in nature, and therefore, cannot be determined with precision.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognized and derecognized on trade date (the date on which the Company commits to purchase or sell the asset). Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

The Company assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that

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had been recognized in other comprehensive income shall be reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognized in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

3.5.2 Financial Liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

3.6 Trade and Other Receivables

Trade and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts, if any. Trade debts and other receivable considered irrecoverable are written off.

3.7 Trade and Other Payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid, in the future for goods and services received.

3.8 Provisions

Provisions are recognized when the Company has present obligation (legal or constructive obligation) as a result of a past event, it is probable that 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. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate

The amount recognized as provision is the best estimate of consideration required to settle the present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation.

3.9 Revenue Recognition

- Brokerage income is recognized as and when transaction is executed.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.
- Dividend income is recorded when the right to receive the dividend is established.

3.12 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank balance, demand deposits, other short



term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change.

3.13 Related Party Transactions

Transactions in relation to sales purchase and services with related parties are made at arm's length price which is determined in accordance with the comparable uncontrolled price method. The related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors and key management employees.

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4 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V.
	As at July 01, 2016	Additions / (Deletions)	As at June 30, 2017		As at July 01, 2016	For the year	As at June 30, 2017	As at June 30, 2017
Office Building	12,700,000	-	12,700,000	5%	2,824,565	493,772	3,318,337	9,381,663
Furniture & Fixtures	600,000	-	600,000	15%	517,202	12,420	529,622	70,378
Office Equipments	33,000	-	33,000	15%	26,753	937	27,690	5,310
Computers	1,494,332	-	1,494,332	30%	1,481,833	3,750	1,485,583	8,749
Motor Vehicle	3,324,000	2,987,000	6,311,000	15%	2,836,780	816,558	2,653,338	3,657,662
June 30,2017 (Rupees)	18,151,332	2,987,000	21,138,332		7,687,133	1,327,437	8,014,570	13,123,762
June 30,2016 (Rupees)	19,556,005	(1,404,673)	18,151,332		8,984,755	(1,297,622)	7,687,133	10,464,199

5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate PSX
Membership Cards Rights - PMEX

5.1

2017
(Rupees)

2016
(Rupees)

2,500,000	15,000,000
250,000	250,000
2,750,000	15,250,000

5.1 Trading Right Entitlement Certificate (TREC)
Impairment - TREC

5.1.1

5.1.2

15,000,000	15,000,000
(12,500,000)	-
2,500,000	2,253,988

5.1.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once the company intending to carry out shares brokerage business in the manner to be prescribed.

5.1.2 The carrying value of TREC as at 30 June 2017, is more than its recoverable amount therefore, an impairment loss amounted to Rs. 12,500,000 has been recognized due to which carrying value has been reduced to Rs. 2,500,000.

6. INVESTMENT - Available for Sale

Shares of Pakistan Stock Exchange Ltd

6.1

41,163,833

40,073,830

6.1 This respect 1,602,953 shares of Pakistan Stock Exchanges acquired in pursuance of Corporatisation, Demutualization and integration Act, 2012. As per agreement each member received 4,007,373. Out of 4,007,383 the company already sold 801,477 shares to Chinese investors, in open Market.

7. LONG TERM INVESTMENTS

Investment in unlisted securities
Impairment loss

7.1

18,000,000

18,000,000

(9,000,000)

(9,000,000)

9,000,000

9,000,000

7.1 The company has an investment of Rs. 18 million (2016: Rs.18 million) in shares of Platinum Capital Management (Private) Limited (PCMPL). PCMPL is incorporated in Pakistan as private limited company with a paid-up capital of Rs. 150 million as at 30 June 2016. The company owns 180,000 shares of Rs. 100 each (2015: 180,000 shares) representing 12% ownership . Break-up value per share of this investment is Rs.40.06 This break-up value per share is based on audited financial statements of PCMPL for the period ended 30 June 2016. As the breakup value of investee company is significantly below its par value therefore the management has recorded impairment of Rs. 9,000,000.

	2017 (Rupees)	2016 (Rupees)
8 LONG TERM DEPOSITS		
Deposits - PSX	214,809	210,000
Deposits - PMEX (Membership)	750,000	750,000
Central Depository Company Of Pakistan	100,000	100,000
National Clearing Company Of Pakistan	200,000	200,000
Mobilink deposits	6,500	6,500
BMC deposits	2,000,264	-
Pakistan Mercantile Exchange Limited	100,000	100,000
	<u>3,371,573</u>	<u>1,366,500</u>

9. SHORT TERM INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1.	-	5,093,425
9.1. Investment in various equity shares carried at market value.			

10. TRADE DEBTS

Trade debts	10.1	4,936,566	33,180,379
Provision for doubtful debts	10.1.1	-	-
		<u>4,936,566</u>	<u>33,180,379</u>
10.1 Age analysis of trade debts			
More than 5 days		1,968,846	-
Less than 5 days		2,967,720	-
		<u>4,936,566</u>	

10.1.1 No Provision is required to be made as per sub-clause h (i) of clause 34 of Securities Brokers (Licensing and Operations) Regulations 2016 in the accounts.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax		8,047,503	-
Other Receivables		7,715,080	5,035,499
Receivable from PSX		6,004,173	
Receivable from PSX	11.1	4,488,268	-
BMC deposit		15,994,927	-
Advance for office		3,000,000	3,000,000
		<u>45,249,951</u>	<u>8,035,499</u>

11.1 This amount represents amount retained by PSX from sale proceeds of PSX Shares to Chinese investors. The amount will be retained for the period of one year.

12. CASH AND BANK BALANCES

Cash at bank - In current accounts
- In pls and deposit accounts

2017 (Rupees)	2016 (Rupees)
89,704	15,000
148,225,524	45,848,595
<u>148,315,228</u>	<u>45,863,595</u>

13 SHARE CAPITAL

AUTHORIZED SHARE CAPITAL

2017 Number of Shares	2016 Number of Shares	2017 (Rupees)	2016 (Rupees)
<u>15,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>

ordinary shares of Rs. 10 each

ISSUED SUBSCRIBED AND PAID-UP

<u>925,000</u>	<u>925,000</u>	<u>92,500,000</u>	<u>92,500,000</u>
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ordinary shares of Rs. 100 each fully paid in cash

PATTERN OF SHAREHOLDING

	No of shares	%
i Muhammad Asif	386,248	41.8%
ii Muhammad Rizwan	1	0.0%
iii Abdul Hafiz	1	0.0%
iv Muhammad Ashraf	138,750	15.0%
v Muhammad Aslam Motiwala	400,000	
	<u>925,000</u>	

No change in shareholding above 5 %

14 TRADE AND OTHER PAYABLE

Credit balances of clients
Other liabilities
Commission Payable
Accrued Expenses
Auditors remuneration

14.1.

52,659,532	24,155,677
2,757,579	-
1,721,563	-
-	287,800
200,000	-
<u>57,338,674</u>	<u>24,443,477</u>

- 14.1 Credit balances of clients held by the company
- 14.2 Value of Securities of client held by the company
- 14.3 Number of Securities of client held by the company
- 14.4 No Securities of clients is pledged with Financial Institution.
- 14.5 No Securities of the company is pledged with Financial Institution.

<u>52,659,532</u>
<u>521,925,980</u>
<u>32,502,546</u>
-
-

10

15 CONTINGENCIES AND COMMITMENTS

2017
(Rupees)

2016
(Rupees)

There were no contingencies and commitments as at June 30, 2017.

16. OPERATING REVENUE

Brokerage commission

Commission on IPO

Return on cash margin on future contract

16.1

20,352,138	8,676,732
2,474	37,780
117,255	43,041
<u>20,471,867</u>	<u>8,757,553</u>

16.1 Brokerage Income- gross

Sales tax

22,998,238	-
(2,646,100)	-
<u>20,352,138</u>	<u>-</u>

Turnover during the period, separately

Turnover of Shares trade	Value Traded	Commission
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Institutional customers

Proprietary trade

Retail customers

-	-	-
187,288,657	4,738,319,697	-
748,472,385	31,094,079,413	20,352,138
<u>935,761,042</u>	<u>35,832,399,110</u>	<u>20,352,138</u>

Other charges

Brokerage income

-
<u>20,352,138</u>

17. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and allowances

Directors' remuneration

PSX rent, electricity and service charges

Fees and subscription

Legal and professional

Communication Expenses

Auditors remuneration

Fuel, Water and Power

Insurance, Rent, Rates and Taxes

Repair and maintenance

Depreciation

Others

17.1

8

8,511,516	5,148,263
-	2,190,000
1,659,153	1,317,179
266,916	189,948
239,480	213,840
376,442	357,111
248,600	125,000
421,713	52,104
75,353	171,689
53,500	179,497
1,327,437	107,051
86,460	174,550
<u>13,266,570</u>	<u>10,226,232</u>

17.1 AUDITORS REMUNERATION

System audit fee

Statutory audit fee

48,600	-
200,000	125,000
<u>248,600</u>	<u>125,000</u>

18. OTHER INCOME	2017 (Rupees)	2016 (Rupees)
Gain/loss on investment held for trading	582,837	-
Realized Gain /Loss on investment available for sale	42,837,484	-
Dividend income	440,812	1,282,363
Gain on sale of fixed assets	270,000	9,600,000
Profit on bank deposit	2,812,058	3,684,209
Other	-	292,033
	<u>46,943,191</u>	<u>14,858,604</u>

19. TAXATION

The Company has filed return for the tax year 2015. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Current		94,501	160,295
Deferred	19.1	12,530,413	1,676,985
Prior year		-	-
		<u>12,624,914</u>	<u>1,837,280</u>

19.1. Deferred tax asset is reversed as the future taxation of the company is not levied on accounting profit.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: Capital risk, Credit risk, Liquidity risk and Market risk. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) has regulated the company and management policies of both PSX and SECP have been adopted by the Company.

20.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Currently there are no creditors of the company.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	Carrying amount	
	2017	2016
Long term Investments - available for sale	41,163,833	40,073,830
Long term Investments - at cost	9,000,000	9,000,000
Long term deposits	3,371,573	1,366,500
Short term investment	-	5,093,425
Trade debts - unsecured considered good	4,936,566	33,180,379
Advances, deposits, prepayments and other receivables	45,249,951	8,035,499
Cash and bank balances	148,315,228	45,863,595
	<u>252,037,151</u>	<u>142,613,228</u>

20.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity only.

The following are the contractual maturities of financial liabilities and financial assets, including estimated interest payments:

2017			
Carrying amount	Contractual cash flows	Up to one year	More than one year
Trade and other payable	57,338,674	57,338,674	-

2016			
Carrying amount	Contractual cash flows	Up to one year	More than one year
Trade and other payable	24,443,477	24,443,477	-

The financial assets are greater than financial liabilities and there is no maturity gap.

20.3 MARKET RISK

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risks comprises of three types of risks: Foreign exchange or currency risks, Interest/Mark-up rate risks and Price risks. The market risks associated with the Company's business activities are discussed as under:

a) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices of the most significant in comparison to overall assets of the company. The company has equity investment of Rs 41.16 million which is significant and the company as is expose to price risk.

b) Interest rate risk

The company is not exposed to interest rate risk as the liability is subject to fixed interest rate.

20.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

21. CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to create value for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The company manages its capital structure which comprises capital and reserves by monitoring return on net assets and make adjustments to it in the light of economic conditions. There were no changes to company's approach to capital management during the year and the compnay is not subject to externally imposed capital requirements.

3

22. TRANSACTION WITH RELATED PARTIES

Related parties comprises of Parent Company, associates company and other companies with common director, directors and key management personnel.

	2017 (Rupees)	2016 (Rupees)
Remuneration to Directors	1,128,000	1,470,000
Remuneration to Chief Executive Officer	900,000	720,000
	<u>2,028,000</u>	<u>2,190,000</u>

23. NUMBER OF EMPLOYEES

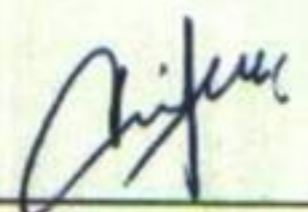
	2017 (Number of employees)	2016 (Number of employees)
Total number of employees at June 30	<u>17</u>	<u>17</u>

24. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 03 OCT 2017 by the Board of Directors of the company.

25. GENERAL

Figures have been rounded off to the nearest Rupee and corresponding figures have been re-arranged, where necessary, for the purpose of comparison.



 CHIEF EXECUTIVE



 DIRECTOR