

**M/S ZAFAR MOTI CAPITAL
SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2016**

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2016

	<u>NOTE</u>	<u>DECEMBER 2016 RUPEES</u>
NON - CURRENT ASSETS		
Tangible Asset		
Property and equipment	4	65,144
Long term deposits	5	500,000
		<u>565,144</u>
Intangible Assets		
Membership	6	20,000,000
Computer Software license	7	311,040
		<u>20,311,040</u>
CURRENT ASSETS		
Trade receivable-Unsecured considered good		103,482,591
Investments held for trading	8	89,859,112
Advance Tax		2,934,969
Income tax refundable		1,215,212
Other Receivables & Advances		4,809
Cash and bank balances	9	13,801,165
		<u>211,297,858</u>
		<u><u>232,174,042</u></u>
SHARE CAPITAL AND RESERVES		
Authorized capital		
5,500,000 (2013: 1,500,000) ordinary shares of Rs.100/- each.		<u>55,000,000</u>
Issued, Subscribed and Paid-up capital		
1,150,000 ordinary shares of Rs. 100/- (June 2016: 1,150,000/-) fully paid in cash		52,800,000
Investment reserve		76,085,129
Unappropriated profit		93,492,134
		<u>222,377,263</u>
CURRENT LIABILITIES		
Trade Creditors		3,814,811
Short Term Loan - Unsecured	10	1,348,480
Other Liabilities		2,307,179
Provision for Taxation		2,326,309
		<u>9,796,779</u>
Contingencies and Commitments	11	-
		<u><u>232,174,042</u></u>

The annexed notes from 1 to 21 form an integral part of these financial statements.


CHIEF EXECUTIVE

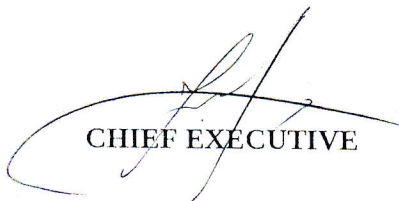



DIRECTOR

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	NOTE	DECEMBER 2016 RUPEES
REVENUE		
Revenue		4,232,089
Administrative expenses	12	(3,543,509)
Finance charges	13	(2,484,722)
		(6,028,231)
		(1,796,142)
OTHER INCOME/ (LOSS)		
Capital gain		12,369,556
Dividend income		200,369
Other income		1,301,642
Unrealized gain/(loss) on investment		(3,679,114)
		10,192,453
Profit before taxation		8,396,311
TAXATION		
-Current		(2,326,309)
Profit after taxation		6,070,002
Earning per share - Basic and Diluted	14	1.15

The annexed notes from 1 to 21 form an integral part of these financial statements.


 CHIEF EXECUTIVE





 DIRECTOR

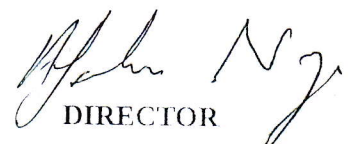
ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	<u>Note</u>	<u>DECEMBER 2016 RUPEES</u>
Cash flows from operating activities		
Cash generated from operations	15	(719,535)
Income tax paid		(1,719,757)
Finance charges		(2,484,722)
Net cash inflow / (outflow) from operating activities		<u>(4,924,014)</u>
Cash flows from investing activities		
Net cash outflow from investing activities		<u>-</u>
Cash flows from financing activities		
Net cash outflow from financing activities		<u>-</u>
Net (decrease) / increase in cash and cash equivalents		(4,924,014)
Cash and cash equivalents at the beginning of the year		18,725,179
Cash and cash equivalents at the end of the year		<u>13,801,165</u>
Cash and cash equivalents (Refer note 3.12)		
Cash and bank balances	9 #	13,801,165
		<u>13,801,165</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.


CHIEF EXECUTIVE



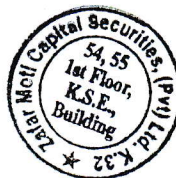

DIRECTOR

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up Capital Rupees	Investment Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at June 30, 2015	52,800,000	-	86,481,877	139,281,877
Investment reserve	-	76,085,129	-	76,085,129
Profit for the year	-	-	940,255	940,255
Balance as at June 30, 2016	52,800,000	76,085,129	87,422,132	216,307,261
Profit for the year	-	-	6,070,002	6,070,002
Balance as at December 31, 2016	52,800,000	76,085,129	93,492,134	222,377,263

The annexed notes from 1 to 21 form an integral part of these financial statements.


 CHIEF EXECUTIVE




 DIRECTOR

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 7, 2006 as a private limited company under the Companies Ordinance, 1984. The Company is a corporate member of Karachi Stock Exchange (Guarantee) Limited and obtained certificate of Registration as broker from securities and exchange commission of Pakistan. The registered office of the Company is situated at G-6, Parsa Homes, Bleak House Road, Karachi. The principal activities of the Company are share brokerage under writing and investment etc.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Boards are notified under the provisions of the Ordinance. Wherever the requirements of the Ordinance, or the directives issued by the SECP differ with the requirements of these standards, the requirements of Ordinance or of the said directives have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain short term investment which are stated at fair value in accordance with the requirements of International Accounting standards (IAS) 39 - "Financial Instruments: Recognition and measurement".

2.3 Functional and presentation currency

These financial statement are presented in Pak Rupees, which is Company's functional and presentation currency. All financial information presented has been rounded to the nearest rupee.

3 SUMMARY OF SIGNIFICANT ACCOUTING POLICIES

3.1 Accounting convention and basis of preparation

These financial statements have been prepared under the historical cost convention.

3.2 Use of estimates and judgments

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

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates are :

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

- i) Income taxes (Note 3.4)
- ii) Classification and valuation of investments (Note 3.9)
- iii) Amortization of intangible assets (Notes 3.7)
- iv) Determination and measurement of useful life and residual value of property plant and
- v) Provision for trade debts and other receivables (Note 3.10)
- vi) Impairment of non-financial assets (Notes 3.6)

The estimates and underlying assumptions are reviewed on an ongoing basis, Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.2.1 New, Revised and amended standards and interpretations

Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards or new interpretations became effective, however, the amendments or interpretations did not have any significant impact on the Company's financial statements.

New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015:

Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' – (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortisation for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determine which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal only with separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The management is currently considering the effect of the new standard.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

IFRS 11 'Joint Arrangements' – (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.

IFRS 12 'Disclosure of Interest in Other Entities' – (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities in one place. The adoption of this standard is not likely to have material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' - (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The management is currently assessing the effect of new standard.

Amendment to IAS 27 'Separate Financial Statement' – (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] – (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Annual Improvements 2012-2014 cycles – (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

IFRS 7 ‘Financial Instruments- Disclosures’. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognised in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by ‘Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)’ are not specifically required for inclusion in condensed interim financial statements for all interim periods.

IAS 19 ‘Employee Benefits’. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

IAS 34 ‘Interim Financial Reporting’. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

3.3 Revenue Recognition

Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis.

Commission income is recognized as and when service is rendered.

Dividend income is recorded when right to receive dividend is established.

Income from investments and bank account are recognized on accrual basis.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

Capital gains and losses on sale of marketable securities are recorded on the date of sale.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

3.4 Taxation

3.4.1 Current

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

3.4.2 Deferred

Deferred tax is recognised using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.5 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to income on reducing balance basis at the rates mentioned in note No. 4. Depreciation is charged from the month in which assets becomes available for use, while no depreciation is charged for the month in which the assets is disposed off.

Gain and loss on disposal of assets are included in the income currently.

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gain/(loss) on disposal of assets are included in the income / expense currently.

3.6 Impairment of Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

3.7 Intangible assets

Membership card right and privileges

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

Membership cards represent corporate membership of Karachi Stock Exchange Limited with indefinite useful life. These are stated at acquisition cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where the value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

3.7.1 Other intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Intangible asset is amortised on a systematic basis over the estimated useful lives using the straight-line method.

3.8 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, deposits, debtors, investments, accrued liabilities.

Financial assets and liabilities are recognized at the time when the company becomes party to the contractual provisions of the instrument.

Financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.9 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction costs associated with the investment, except for those classified as fair value through equity at balance sheet date.

The management determines appropriate classification of investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories:

3.9.1 Held for trading

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified at fair value to profit or loss - held for trading. These are stated at fair values with any resulting gains and losses recognized in the profit and loss account. The fair value of such investments, representing listed equity securities are determined on the basis of prevailing market prices at Karachi Stock Exchange and on market base redemption / repurchase prices, whichever is applicable, in case of other securities.

3.9.2 Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, 'available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

3.10 Trade and other receivables

Trade debts are carried at original invoice amount less provision for impairment. Known bad debts are written off, while provisions are made against debts considered doubtful based on review of outstanding amount at the end of the year

Fair value of listed securities are the quoted prices on the stock exchange at balance sheet date.

3.11 Loan, advances and other receivables

These are stated at cost. Provision is made for the amounts considered doubtful. Amounts considered irrecoverable are written off to the profit and loss account.

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 include cash in hand and with banks.

3.13 Trade and other payables

Liabilities for 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.

3.14 Provisions

Provision are recognized when the Company has a present legal or constructive obligation as a result of past events, 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.

3.15 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company Functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

4 PROPERTY AND EQUIPMENT

Description	Furniture and fixture	Total
COST		
Balance as at 01 July 2015	370,000	370,000
Additions	-	-
Balance as at 30 June 2016	370,000	370,000
Balance as at July 1, 2016	370,000	370,000
Additions	-	-
Balance as at December 31, 2016	370,000	370,000
DEPRECIATION		
Balance as at 01 July 2015.	293,808	293,808
Charge for the year	7,619	7,619
Balance as at 30 June 2016	301,427	301,427
Balance as at July 1, 2016	301,427	301,427
Charge for the year	3,429	3,429
Balance as at December 31, 2016	304,856	304,856
CARRYING AMOUNT -DECEMBER 2016	65,144	65,144
CARRYING AMOUNT - JUNE 2016	68,573	68,573
RATE OF DEPRECIATION (%)	10%	

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

DECEMBER
 2016
 RUPEES

5 LONG TERM DEPOSIT

Deposit with PSX/NCCPL	200,000
Deposit with CDC	100,000
Deposit with NCSS	200,000
Other Deposits	
	500,000

6 MEMBERSHIP

Shares and Trading Right Entitlement Certificate
 - Karachi Stock Exchange Limited

20,000,000

These represent shares of Karachi Stock Exchange Limited (KSEL) and Trading Right Entitlement Certificate (TREC) received from Karachi Stock Exchange in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012.

Pursuant to demutualization of the Karachi Stock Exchange Limited (KSEL), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received Rs.4,007,383 shares of Rs.10/- each and TREC having notional value of Rs.15,000,000/- from the KSEL against its membership card.

The above arrangement has resulted in allocation of 4,007,383 shares at Rs. 10 each with a total face value of Rs. 40 million. Out of total shares issued by the KSEL, the Company has actually received 40% equity shares i.e. 1,602,953 shares. The remaining 60% shares have been transferred to CDC sub-account in the Company's name under the KSEL's participant IDs with the CDC which will remain blocked until these are divested / sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

The Company has not allocated carrying value of the Membership card to shares in Karachi Stock Exchange Limited (KSEL) and Trading Right Entitlement Certificate (TREC) as the fair value of neither the TREC nor shares in Karachi Stock Exchange Limited can be determined. Therefore the allocation of such will be determined as the fair value of such TREC and shares in KSEL becomes available.

7 COMPUTER SOFTWARE

Opening Balance	345,600
Amortization	(34,560)
	311,040

8 INVESTMENT - HELD FOR TRADING

Investment in quoted securities at cost	98,807,163
Change due to fair market	
Opening balance	(5,268,937)
Unrealised gain/ (loss) on investments	(3,679,114)
Unrealized gain/(loss) on investment	(8,948,051)
	89,859,112

9 CASH & BANK BALANCES

Cash in hand	2,400,000
Cash at bank - Current accounts	11,401,165
	13,801,165

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

DECEMBER
 2016
RUPEES

10 SHORT TERM LOAN

The loan does not carry mark up. The loan is provided by the directors in order to facilitate short term financing requirements of the company.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments existed as at December 31, 2016.

12 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	748,150
Electric telephone and internet charges	635,960
Fees and Subscriptions	123,000
Printing and stationery	40,851
CDC Charges	440,995
Clearing House Commission	268,599
Investor Protection Fund	38,916
SECP Transaction Fee	102,562
Entertainment Expenses	37,470
Misc & general Expenses	636,919
Penalties and Fines	-
Repair and Maintenance	432,098
Depreciation	3,429
Amortization	34,560
	<u>3,543,509</u>

12.1 AUDITOR'S REMUNERATION

Statutory Audit Fee

-

13 FINANCE CHARGES

Markup expenses	2,265,961
Bank Charges	218,761
	<u>2,484,722</u>

14 LOSS/EARNING PER SHARE - BASIC AND DILUTED

Profit / (Loss) after taxation	<u>6,070,002</u>
Average number of shares	<u>5,280,000</u>
Earning per shares - basic and diluted	<u>1.15</u>

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

DECEMBER
 2016
RUPEES

15 CASH GENERATED FROM OPERATIONS

(Loss) / Profit before taxation	8,396,311
Adjustments for	
Depreciation	3,429
Amortization	34,560
Unrealized gain/(loss) on investment	3,679,114
Finance charges	2,484,722
Operating profit before changes in working capital	<u>14,598,136</u>
Changes in working capital	
(Increase)/decrease in current assets	
Trade receivable-Unsecured considered good	(1,139,376)
Investments held for trading	(10,893,779)
Income tax refundable	(1,215,212)
Other receivable	-
Increase/(decrease) in current liabilities	
Trade Creditors	(3,515,054)
Short Term Loan - Unsecured	-
Other Liabilities	1,445,750
	<u>(15,317,671)</u>
Cash (outflow) / inflows from operations	<u><u>(719,535)</u></u>

16 NUMBER OF EMPLOYEES

As at year end	<u>5</u>
Average number of employees	<u>5</u>

18 CAPITAL RISK MANAGEMENT

The Board's policy of capital risk management is to maintain a strong capital base, ratios and credit rating so as to maintain investor, creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The board of Directors monitors the return on capital, which the Company defines as net profit after taxation dividend by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2016

19 FINANCIAL ASSETS AND LIABILITIES

Interest/markup bearing		Non interest/markup bearing		Total
Maturity	Maturity	Maturity	Maturity	DECEMBER
up to	one to	up to	one to	2016
one year	five years	one year	five years	Rupees

Financial Assets

Long term deposits	-	-	500,000	500,000
Trade Receivables	-	103,482,591	-	103,482,591
Investment held for trading	-	89,859,112	-	89,859,112
Other Receivables	-	4,809	-	4,809
Cash and bank balances	-	13,801,165	-	13,801,165
	-	207,147,677	500,000	207,647,677

Financial Liabilities

Trade Creditors	-	3,814,811	-	3,814,811
Short Term Loan - Unsecured	-	1,348,480	-	1,348,480
Other Liabilities	-	2,307,179	-	2,307,179
	-	7,470,470	-	7,470,470

Concentration of 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. The Company credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits company exposure of credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company is not exposed to any interest rate risk. The rate of financing and their maturity period has been disclosed in the relevant notes.

Liquidity risk

The liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company's management closely monitor the companies liquidity and cash flows position.

Foreign exchange risk

Foreign exchange risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on assets and liabilities.

Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

20 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Board of the Directors of the company.

21 GENERAL

Figures have been rounded off to the nearest rupee.



[Signature]
 DIRECTOR