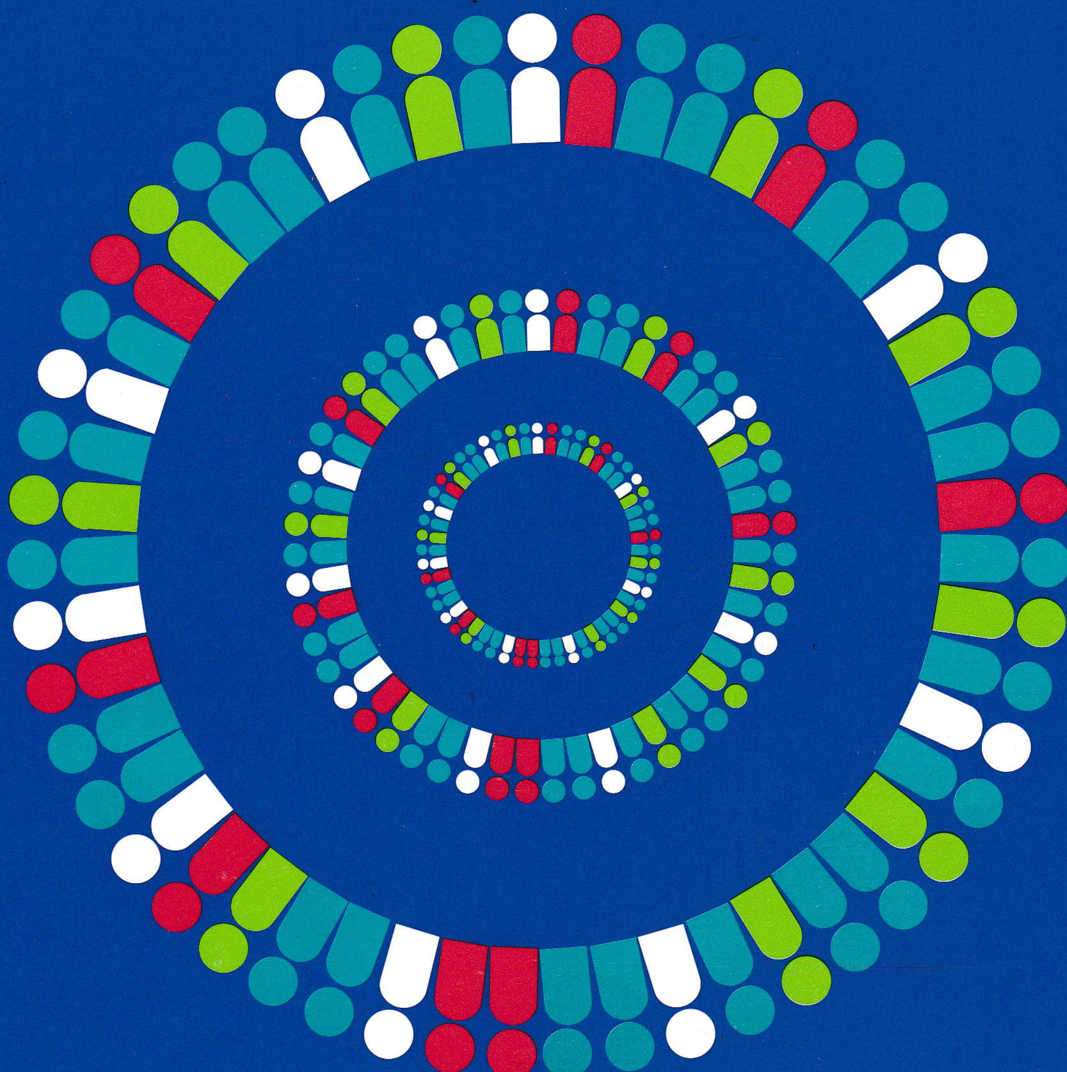
UHY Hassan Naeem & Co.
Chartered Accountants

ZAFAR MOTI 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 **ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED** "the company" as at **June 30, 2017** and the related profit and loss account, 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and present the above said statements in conformity with the approved accounting standards and the requirement of the repealed Companies Ordinance, 1984.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 polices 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a) in our opinion proper books of account have been kept by the company as required by the repealed Companies Ordinance, 1984;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the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;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).

The financial statement of the company for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who issued unqualified opinion dated October 3, 2016.

DATE: 03 OCT 2017
KARACHI

UHY Hassan Naeem & Co
Chartered Accountants
Imran Iqbal

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

	Note	2017 (Rupees)	2016 (Restated) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	**58,287**	68,573
Intangible assets	5	**5,241,920**	5,345,600
Investment - available for sale	6	**41,163,833**	15,000,000
Long term deposits	7	**700,000**	500,000
		47,164,040	20,914,173
CURRENT ASSETS			
Trade debts	8	**151,548,883**	102,343,215
Investment - held for trading	9	**30,488,945**	82,644,447
Loan to director	10	**40,389,607**	-
Advances, deposits, prepayments and other receivables	11	**29,396,515**	3,375,531
Cash and bank balances	12	**3,504,984**	18,725,179
		255,328,934	207,088,372
		302,492,974	228,002,545
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital		**55,000,000**	55,000,000
Issued, subscribed and paid-up capital	13	**52,800,000**	52,800,000
Unrealised gain on remeasurement		**35,163,834**	-
Unappropriated profit		**208,248,584**	163,507,261
		296,212,418	216,307,261
CURRENT LIABILITIES			
Trade and other payable	14	**4,962,701**	8,191,294
Short term loan - unsecured	15	**1,317,855**	1,348,480
Provision for taxation		**-**	2,155,510
		6,280,556	11,695,284
Contingencies and commitments	16	**-**	-
		302,492,974	228,002,545

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

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 *(Rupees)*	2016 (Restated) *(Rupees)*
Operating revenue	17	10,134,288	6,442,039
Operating and administrative expenses	18	(7,867,732)	(5,940,455)
Financial charges	19	(4,741,804)	(6,443,205)
Provision for doubtful debts	8.1	(25,000,000)	-
Other income	20	80,183,334	9,037,386
Net profit before taxation		52,708,085	3,095,765
Taxation	21	(7,966,762)	(2,155,510)
Net profit after taxation		44,741,323	940,255
Earning per share - Basic and diluted		8.47	0.18

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

Director

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

	2017	2016
		(Restated)
	(Rupees)	*(Rupees)*
Profit for the year	**44,741,323**	940,255
Other comprehensive income:		
Unrealised gain on remeasurement of investment	**35,163,833**	-
Total comprehensive income	**79,905,156**	940,255

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

Chief Executive

Director

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

	Issued, subscribed and paid-up capital	Accumulated profit	Unrealised gain on remeasurement of investment	Total
	--------------------------------	*Rupees*	--------------------------------	
Balance as at June 30, 2015	52,800,000	86,481,877	-	139,281,877
Net profit for the year	-	940,255	-	940,255
Reserve	-	76,085,129	-	76,085,129
Balance as at June 30, 2016 (Restated)	**52,800,000**	**163,507,261**	**-**	**216,307,261**
Net profit for the year	-	44,741,323	-	44,741,323
Unrealised gain on remeasurement	-	-	35,163,833	35,163,833
Balance as at June 30, 2017	**52,800,000**	**208,248,584**	**35,163,833**	**296,212,417**

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

Chief Executive

Director

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

	Note	2017 (Rupees)	2016 (Restated) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**52,708,085**	3,095,765
Adjustment for non-cash items:			
Depreciation		**10,286**	7,619
Amortisation		**103,680**	86,400
Provision for bad debts		**25,000,000**	-
Realised (loss)/gain on sale of investment - available for sale		**(57,881,795)**	-
Dividend income		**(2,277,641)**	(1,282,383)
Financial charges		**4,741,804**	6,443,205
Realised (loss)/gain - sale of investement - held for trading - net		**(21,621,123)**	(7,755,023)
Operating (loss) before working capital changes		**783,296**	595,583
Changes in working capital			
(Increase)/Decrease in trade debts		**(74,205,668)**	12,177,048
(Increase)/Decrease in advances, deposits and prepayments		**(26,487,379)**	3,383,926
(Increase)/Decrease in long term deposits		**(200,000)**	575,000
Increase/(Decrease) in short-term loan		**(30,625)**	1,348,480
Increase/(Decrease) in trade and other payable		**(3,228,593)**	(1,680,500)
Net changes in working capital		**(104,152,264)**	15,803,954
Financial charges paid		**(4,741,804)**	(6,443,205)
Taxes paid		**(9,655,877)**	(3,370,722)
Net cash (used in)/generated from operating activities		**(117,766,649)**	6,585,610
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of short-term investment		**73,776,624**	1,195,705
Proceeds from investment available for sale		**66,881,796**	-
Dividend received		**2,277,641**	1,282,383
Net cash generated from investing activities		**142,936,061**	2,478,088
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan to directors		**(40,389,607)**	-
Net cash (used in) financing activities		**(40,389,607)**	-
Net increase in cash and cash equivalent		**(15,220,195)**	9,063,698
Cash and cash equivalent at beginning of the year		**18,725,179**	9,661,481
Cash and cash equivalent at end of the year		**3,504,984**	18,725,179

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

Chief Executive

Director

ZAFAR MOTI CAPITAL SECURITIES (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 Legal Status and Nature of Business

Zafar Moti Capital Securities (Private) Limited was incorporated under the repealed Companies Ordinance, 1984 on June 27, 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 # 54-55, 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
IRFS 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.

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 diminishing balance method 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.

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 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.

3.10 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.

3.11 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.

4. PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V.
	As at July 01, 2016	Additions/(Deletions)	As at Jun 30, 2017		As at July 01, 2016	For the year	As at Jun 30, 2017	As at June 30, 2017
	-Rupees-				-Rupees-			
Furniture and Fixtures	370,000	-	370,000	15%	301,427	10,286	311,713	58,287
June 30, 2017	**370,000**	**-**	**370,000**		**301,427**	**10,286**	**311,713**	**58,287**
June 30, 2016	370,000	-	370,000		293,808	7,619	301,427	68,573

		2017	2016 (Restated)
		(Rupees)	*(Rupees)*
5. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC)	5.1	**5,000,000**	5,000,000
Computer Software	5.2	**241,920**	345,600
		5,241,920	5,345,600

5.1 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.

		2017	2016
5.2 Opening Balance		**345,600**	432,000
Amortization		**(103,680)**	(86,400)
		241,920	345,600

6. INVESTMENT - AVAILABLE FOR SALE

		2017	2016
Investment in shares of Pakistan Stock Exchange	**6.1**	**41,163,833**	15,000,000

6.1 This represent 1,602,953 shares of Pakistan Stock Exchanges accquired in pursuance of Corporatisation, Demutualization and integration Act, 2012. As per agreement each member received 4,007,373. Out of 4,007,373 the company already sold 2,404,430 shares to Chinese investors and in open market.

7. LONG-TERM DEPOSITS

		2017	2016
Central Depository Company - deposit		**100,000**	100,000
Deposit in NCCPL		**600,000**	400,000
		700,000	500,000

8. TRADE DEBTS

		2017	2016
Trade debts - unsecured considered good		**176,548,883**	102,343,215
Provision for doubtful debts	8.1	**(25,000,000)**	-
		151,548,883	102,343,215

		2017
9.1 Age analysis of trade debts		
More than 5 days	**9.1.1**	**121,675,614**
Less than 5 days		**54,873,269**
		176,548,883

9.1.1 Provision as required under sub-clause h (i) of clause 34 of Securities Brokers (Licensing and Operations) Regulations 2016 was not provided in the accounts as the company recovered majority of amount subsequent to year end. However the company has provided Rs. 25 million as provision for bed debts.

		2017 (Rupees)	2016 (Rupees) (Restated)

9. SHORT TERM INVESTMENT - HELD FOR TRADING

Investment in quoted securities	9.1	**30,488,945**	82,644,447

9.1 Investment in various equity shares carried at market value.

10. LOAN TO DIRECTORS

Loan	10.1	**40,389,607**	-

10.1 This represents the amount given as short term loan to directors, which is repayable on demand.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net		**2,904,327**	3,370,722
Receivable from PSX	11.1	**12,492,188**	-
PSX base minimum capital deposit		**14,000,000**	4,809
		29,396,515	3,375,531

11.1 This amount includes an amount of Rs.4,488,268 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 in hand	**-**	-
Cash at bank	**3,504,984**	18,725,179
	3,504,984	18,725,179

13. SHARE CAPITAL

13.1 AUTHORIZED SHARE CAPITAL

2017	2016		2017	2016
(Number of shares)			(Rupees)	
5,500,000	**5,500,000**	ordinary shares of Rs. 10 each	**55,000,000**	**55,000,000**

13.2 ISSUED SUBSCRIBED AND PAID-UP CAPITAL

5,280,000	**5,280,000**	ordinary shares of Rs. 10 each fully paid in cash	**52,800,000**	52,800,000

13.3 PATTERN OF SHAREHOLDING

	Number of shares	Percentage of shareholding
i Zafar Siddiq Moti	5,150,000	97.54%
ii Afshan Zafar Moti	10,000	0.19%
iii Jabir Siddiq Moti	120,000	2.27%
	5,280,000	

No changes in shareholding above 5%.

14. TRADE AND OTHER PAYABLES

Credit balances of clients	14.1.	**2,581,189**	7,329,865
SST Payable		**1,461,849**	-
Other liabilities		**919,664**	861,429
		4,962,701	8,191,294

		2017 (Rupees)	2016 (Rupees) (Restated)
14.1	Credit balances of clients held by the company	**2,581,189**	
14.2	Value of Securities of client held by the company	**283,884,632**	
14.3	Number of Securities of client held by the company	**18,478,437**	
14.4	Number of securities of clients pledged with financial institution.	**645,312**	
14.5	Number of securities of the company pledged with financial institution.	**893,373**	

15. SHORT-TERM LOAN - UNSECURED

	2017	2016
Short-term loan	**1,317,855**	1,348,480

16. CONTINGENCIES AND COMMITMENTS

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

17. OPERATING REVENUE

	Note	2017	2016
Brokerage income	**17.1**	**10,134,288**	6,442,039

		2017	2016
17.1	Brokerage Income- gross	**9,600,110**	7,404,643
	Sales tax	**(1,248,014)**	(962,604)
		8,352,096	**6,442,039**

17.2 TURNOVER DURING THE YEAR

	Turnover of Shares trade	Turnover of Value trade	Commission
Institutional customers	1,733,807	125,226,332	144,217
Proprietary trade	-	-	-
Retail customers	98,676,818	7,127,055,441	8,207,879
	100,410,625	**7,252,281,773**	**8,352,096**
Other charges			1,782,191.78
Brokerage income			**10,134,288**

18. OPERATING AND OTHER EXPENSES

	2017	2016
Salaries and allowances	**1,592,150**	1,657,500
Printing, stationary and periodicals	**56,368**	24,953
Utilities	**1,116,963**	757,457
Rent, rates and taxes	**359,898**	40,000
Regulatory charges	**2,505,076**	1,072,458
Entertainment	**75,270**	61,600
Repair and maintenance	**307,066**	239,630
Legal and professional	**819,525**	1,022,600
Depreciation	**10,286**	7,619
Amortisation	**103,680**	86,400
Auditor's remuneration	**206,850**	100,000
Miscellaneous	**551,600**	870,238
Others	**163,000**	-
	7,867,732	**5,940,455**

19 FINANCE COST

	2017	2016
Mark-up on overdraft	**4,215,655**	5,850,783
Bank Charges	**526,149**	592,422
	4,741,804	6,443,205

	2017 (Rupees)	2016 (Rupees) (Restated)

20. OTHER INCOME

	2017 (Rupees)	2016 (Rupees) (Restated)
Gain on investment - held for trading	**20,023,898**	7,755,023
Gain on investment - available for sale - Realised	**57,881,795**	-
Dividend income	**2,277,641**	1,282,363
	80,183,334	9,037,386

21. TAXATION

The Company has filed return for the tax year 2016. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

	Note	2017 (Rupees)	2016 (Rupees) (Restated)
Provision for taxation			
- Current year		**6,751,550**	2,155,510
- Prior year		**1,215,212**	-
- Deferred	**21.1**	**-**	-
Net tax charge		**7,966,762**	2,155,510

21.1 No deferred tax asset/liability is recorded as the future taxation of the company is not levied on accounting profit.

22. PRIOR PERIOD ADJUSTMENT

The Company identified certain errors in its books of account of prior years. During the year 2012-2013 at the time of surrender of membership card in exchange of share of Pakistan stock exchange limited the company has not splitted the membership card into intangible asset and investment available for sale that was the incorrect accounting treatment. These adjustments have been accounted for retrospectively in conformity with the requirement of IAS 8 "Accounting Policies,Changes in Accounting Estimates and Error" as a result of which the corresponding figures for prior years have been restated.The effects of restatement on the financial statements of the current year are as follows :

	As previously recorded	Effect of prior period adjustment	2016 (Restated)
Intangible Assets	20,000,000	(15,000,000)	5,000,000
Investment - available for sale	-	15,000,000	15,000,000

23. 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.

23.1 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. As per SECP regulations the company can not provide credit for purchase of shares therefore the company believes that it is not exposed to major concentration of credit risk and applies credit limits and deal with credit worthy parties.

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

	Carrying amount	
	2017	**2016 (Restated)**
	Rupees	
Long term deposits	**700,000**	500,000
Loan	**40,389,607**	-
Advances, deposits, prepayments and other receivables	**26,492,188**	4,809
Trade debts	**151,548,883**	102,343,215
Investment - available for sale	**41,163,833**	15,000,000
Short term investment	**30,488,945**	82,644,447
Bank balances	**3,504,984**	18,725,179
	294,288,440	219,217,650

23.2 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, including estimated interest payments:

	2017			
	Carrying amount	**Contractual cash flows**	**Up to one year**	**More than one year**
Financial Liabilities				
Trade and other payable	4,962,701	4,962,701	4,962,701	-
Short term loan - unsecured	1,317,855	1,317,855	1,317,855	-

	2016 (Restated)			
	Carrying amount	**Contractual cash flows**	**Up to one year**	**More than one year**
Financial Liabilities				
Trade and other payable	8,191,294	8,191,294	8,191,294	-
Short term loan - unsecured	1,348,480	1,348,480	1,348,480	-

23.3 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. 71.6 million there is expose to price risk.

b) Interest rate risk

The company is not exposed to any interest rate risk as the company does not have any interest based assets and liabilities.

23.4 Capital risk management

The company's objective when managing capital is to safeguard the company's ability to continue as a goin concern, so that it can continue to create value for shareholders and benefits for other stakeholders, and t 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 n assets and make adjustments to it in the light of economic conditions. There were no changes to company approach to capital management during the year and the Company is not subject to externally imposed capit requirements.

23.5 Fair value

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

24. TRANSACTION WITH RELATED PARTIES

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

Detail of transaction with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows.

	2017 *(Rupees)*	2016 *(Rupees)* (Restated)
Loan to directors	**40,389,607**	-

25. NUMBER OF EMPLOYEES

Total number of employees as at June 30	**5**	5

26. DATE OF AUTHORIZATION

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

27. GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

Chief Executive **Director**

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