ALFA ADHI SECURITIES (PRIVATE) LIMITED

Financial Statements
For the year ended June 30, 2018

REANDA
Reanda Haroon Zakaria & Company
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ALFA ADHI SECURITIES (PRIVATE) LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **ALFA ADHI SECURITIES (PRIVATE) LIMITED** which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the loss, its comprehensive loss the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

REANDA

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Iqbal**.

Reanda Haroon Zakaria & Co

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 14 SEP 2018

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees Restated
ASSETS			
Non-Current Assets			
Property and equipment	4	**24,697,548**	30,336,547
Intangible assets	5	**3,342,865**	4,400,786
Long term investment	6	**31,658,322**	41,163,833
Long term deposits	7	**5,264,000**	5,264,000
		64,962,735	81,165,166
Current Assets			
Trade debts	8	**56,897,337**	52,529,892
Loans and advances	9	**7,761,756**	582,550
Deposits and other receivables	10	**5,955,351**	31,979,393
Short term investments	11	**6,068,634**	10,547,224
Income tax refunds due from government	12	**10,214,892**	10,218,922
Cash and bank balances	13	**39,622,698**	61,964,256
		126,520,668	167,822,237
Total Assets		**191,483,403**	248,987,403
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
10,000,000 Ordinary shares of Rs.10 each		**100,000,000**	100,000,000
Issued, subscribed and paid-up share capital	14	**50,490,000**	50,490,000
Revenue reserve			
Unappropriated profit		**68,155,744**	79,836,092
Capital reserve			
Gain on remeasurement of available for sale investment		**28,024,704**	37,530,215
Surplus on revaluation of property	15	**7,848,919**	11,038,324
		35,873,623	48,568,539
Shareholders' equity		**154,519,367**	178,894,631
Non-Current Liabilities			
Deferred liabilities	16	**7,099,866**	8,103,368
Long term deposits	17	**518,384**	542,287
		7,618,250	8,645,655
Current Liabilities			
Trade and other payables	18	**29,244,871**	60,767,372
Mark up accrued		**100,915**	679,745
		29,345,786	61,447,117
Contingencies and Commitments	20		
Total Equity and Liabilities		**191,483,403**	248,987,403

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Director

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	***2018 Rupees***	*2017 Rupees*
Operating revenue	21	**23,019,323**	40,124,299
Operating and administrative expenses	22	**26,354,496**	26,522,807
Operating (loss) / profit		**(3,335,173)**	13,601,492
Financial charges	23	**1,606,136**	2,462,349
Other expenses	24	**8,741,013**	4,483,152
		(10,347,149)	(6,945,501)
		(13,682,322)	6,655,991
Other income	25	**3,256,452**	66,675,141
(Loss) / Profit before taxation		**(10,425,870)**	73,331,132
Taxation	26	**(4,554,931)**	(3,514,061)
(Loss) / Profit after taxation		**(14,980,801)**	69,817,071

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive ***Director***

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	*Rupees*
(Loss) / profit after taxation		**(14,980,801)**	69,817,071
Other comprehensive (loss) / income			
Items to be reclassified to statement of profit or loss in the subsequent periods			
Unrealized (loss) / gain on remeasurement of available for sale investments		**(9,505,511)**	37,530,215
Items that will not be reclassified to profit and loss account in subsequent period			
Revaluation surplus arising during the year		-	15,901,548
Less: deferred tax thereon		-	(4,929,480)
		-	10,972,068
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax		**(551,916)**	(91,434)
Effect of tax rate adjustment on revaluation surplus		**111,048**	157,690
Transferred from revaluation reserve to retained earnings on account of disposal of assets		**(2,748,537)**	-
Total comprehensive (loss) / income for the year		**(27,675,717)**	118,385,610

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive ***Director***

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

		Reserves				
		Revenue	Capital reserves			
Description	*Share Capital*	*Unappropriated Profit*	*Gain on remeasurement of Available for Sale investment*	*Surplus on revaluation of fixed asset*	*Total Reserves*	*Shareholders' equity*
			------------ Rupees --------------			
Balance as at July 01, 2016	50,490,000	17,501,087	-	-	17,501,087	67,991,087
Net profit after taxation	-	69,817,071	-	-	69,817,071	69,817,071
Other comprehensive income						
Unrealized gain on remeasurement of available for sale investments	-	-	37,530,215	-	37,530,215	37,530,215
Surplus on revaluation during the year	-	-	-	10,972,068	10,972,068	10,972,068
Effect of tax rate adjustment on revaluation surplus	-	-	-	157,690	157,690	157,690
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	-	(91,434)	(91,434)	(91,434)
	-	69,817,071	37,530,215	11,038,324	118,385,610	118,385,610
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	91,434	-	-	91,434	91,434
Transaction with owners:						
Dividend @ Rs. 1.50 per share	-	(7,573,500)	-	-	(7,573,500)	(7,573,500)
Balance as at June 30, 2017 - restated	**50,490,000**	**79,836,092**	**37,530,215**	**11,038,324**	**128,404,631**	**178,894,631**
Net loss after taxation	-	**(14,980,801)**	-	-	**(14,980,801)**	**(14,980,801)**
Other comprehensive loss						
Unrealized loss on remeasurement of available for sale investments	-	-	**(9,505,511)**	-	**(9,505,511)**	**(9,505,511)**
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	-	**(551,916)**	**(551,916)**	**(551,916)**
Effect of tax rate adjustment on revaluation surplus	-	-	-	**111,048**	**111,048**	**111,048**
Transferred from revaluation reserve to retained earnings on account of disposal of assets	-	-	-	**(2,748,537)**	**(2,748,537)**	**(2,748,537)**
	-	**(14,980,801)**	**(9,505,511)**	**(3,189,405)**	**(27,675,717)**	**(27,675,717)**
Transferred from revaluation reserve to retained earnings on account of disposal of assets	-	**2,748,537**	-	-	**2,748,537**	**2,748,537**
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	**551,916**	-	-	**551,916**	**551,916**
Balance as at June 30, 2018	**50,490,000**	**68,155,744**	**28,024,704**	**7,848,919**	**104,029,367**	**154,519,367**

Unappropriated profit can be utilized for meeting any contingencies and distribution of profits by way of dividend.

Gain on re-measurement of AFS investment and surplus on revaluation of fixed assets will be utilized for any purpose only after it is realized and transferred to unappropriated profits. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets or AFS investments.

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Director

ALFA ADHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	**(10,425,870)**	73,331,132
Adjustment for:		
Depreciation	**2,182,751**	917,891
Provision in respect of employees gratuity fund	**602,850**	500,195
Reversal of provision for doubtful debts	**-**	(902,605)
loss on disposal of investments	**2,996,430**	(63,199,659)
Mark up against margin financing	**(1,906,681)**	877,741
Financial charges	**1,606,136**	2,462,349
Remeasurement loss on investment	**872,109**	1,719,829
Amortization	**141,967**	141,967
Impairment of TREC	**915,954**	-
Loss on disposal	**262,442**	-
	7,673,958	(57,482,292)
Cash (used in) / generated from operating activities before working capital changes	**(2,751,912)**	15,848,840
(Increase) / decrease in current assets		
Trade debts	**(4,367,445)**	(10,499,421)
Loans and advances	**(7,179,206)**	2,232,548
Deposits and other receivables	**26,024,042**	(20,728,037)
(Decrease) / Increase in current liabilities		
Trade and other payables	**(24,929,769)**	24,823,926
	(10,452,378)	(4,170,984)
Cash (used in) / generated from operations	**(13,204,290)**	11,677,856
Financial charges paid	**(1,783,239)**	(2,158,322)
Income taxes paid	**(4,918,971)**	(8,248,989)
Long term deposits (refunded) / received	**(23,903)**	20,635
Net cash (used in) / generated from operating activities	**(19,930,403)**	1,291,180
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets expenditure incurred	**(656,193)**	(7,439,438)
Proceeds against disposal of fixed assets	**3,850,000**	-
Proceeds against disposal of long term investments	**-**	62,835,760
Markup received against margin financing	**377,719**	-
Short term investments made	**(265,732,394)**	(105,256,929)
Proceeds against disposal of short term investments	**266,342,445**	94,315,935
Long term deposits paid	**-**	(1,500,000)
Net cash generated from investing activities	**4,181,577**	42,955,328

	2018 Rupees	2017 Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing repaid - net	-	(12,152,826)
Dividend paid	**(6,592,732)**	(980,766)
Net cash used in financing activities	**(6,592,732)**	(13,133,592)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	**(22,341,558)**	31,112,916
Cash and cash equivalents at the beginning of the year	**61,964,256**	30,851,340
Cash and cash equivalents at the end of the year	**39,622,698**	61,964,256

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Director

1 THE COMPANY AND GENERAL INFORMATION

1.1 Legal status and operations

Alfa Adhi Securities (Private) Limited (the 'Company') was incorporated in Pakistan on November 21, 1994 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a corporate member of the Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal objects of the Company include share brokerage, money market transactions, consultancy services and underwriting etc. The registered office of the Company is situated at 308, 3rd floor, Landmark Plaza - I.I. Chundrigar Road, Karachi. Other business addresses of the Company is 3rd floor, 308 - 309, New Block, Pakistan Stock Exchange, I.I Chundrigar road, Karachi and G-9 & 10, Hussain trade centre, Altaf Husain road, Karachi.

1.2 Summary of significant events and transactions in the current reporting period

i. Due to the poor market conditions of Pakistan Stock Exchange Limited, confidence of investors became low. Therefore, revenue of Company is reduced resulting in loss after taxation and total comprehensive loss amounting to Rs. 14.981 million and Rs. 27.676 million respectively in the current financial year as compared to net profit after taxation and total comprehensive income amounting to Rs. 69.817 million and Rs. 118.385 million respectively in previous year.

ii. Due to the applicability of Companies Act, 2017 certain disclosures of the financial have been presented in accordance with the fifth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O. 1169 dated November 7, 2017.

iii. The financial statements include disclosures requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as notified by the Securities and Exchange Commission of Pakistan vide S.R.O. 569 (I) / 2016 dated June 24, 2016.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act) and provisions of and directives issued under the Act. Where provisions of or directives issued under the Act differ from the IFRS Standards, the provisions of or directives issued under the Act have been followed.

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except stated otherwise. Further, accrual basis of accounting is followed except for cash flow information.

2.3 *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 *Critical accounting estimates and judgments*

The preparation of financial statements 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 the reported amounts of assets, 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 the 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 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.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- Review of useful life and residual value of property, plant and equipment (note 3.1 and 4);

- Intangibles (note 3.2 and5);

- Assumptions and estimates used in calculating the provision for doubtful trade debts (note 3.4 and8);

- Revenue recognition (note 3.12 and 21); and

- Provision for taxation including deferred tax (note 3.10 and 26).

2.5 *Amendments to standards that are effective for the year ended June 30, 2018*

The following amendments to accounting standards are effective for the year ended June 30, 2018. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IAS 7 'Statement of Cash Flows' - Disclosure initiative - Amendment	January 1, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses	January 1, 2017

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 *Amendments to standards and IFRS interpretations that are not yet effective*

The following amendments to accounting standards and interpretations with respect to the approved accounting standards as applicable in Pakistan are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
IFRS 2 – Share Based Payments - Classification and Measurement of Share Based Payment Transactions (Amendments).	January 1, 2018
IFRS 4 – 'Insurance Contracts': Applying IFRS 9 Financial instruments with this IFRS for amendments.	January 1, 2018
IFRS 9 – 'Financial Instruments'	January 1, 2018
IFRS 10 – Amendments to 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Not yet finalized
IFRS 15 – 'Revenue From Contracts With Customers'	January 1, 2018
IFRS 16 – 'Leases'	January 1, 2019
IAS 19 – Amendments to 'Employee Benefits': Plan amendments, curtailments or settlements	January 1, 2019
IAS 28 – Amendments to 'Investments in Associates and Joint Ventures': Long-term interests in associates and joint ventures	January 1, 2019
IAS 40 – Amendments to 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
IFRIC 22 – 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018. Earlier application is permitted.
IFRIC 23 – 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 1, 2019

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual period beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 14 - Regulatory Deferral Accounts
IFRS 17 - Insurance Contracts

3 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

3.1 *Property and equipment and depreciation*

Owned

These are initially stated at cost or revalued amounts. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on fixed assets is charged to income by applying the reducing balance method at the rates specified in the relevant note.

Depreciation is charged from the month in which they are available for use and on deletions up to the month of deletion. Normal repairs and maintenance are charged to profit and loss account as and when incurred. Major renewals, if any, are capitalized.

The surplus on revaluation of property, plant and equipment is reversed to the extent of incremental depreciation and is transferred to accumulated profit.

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 asset will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit and loss account during the financial year in which they are incurred.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Assets are derecognized when disposed off or when no future economic benefits are expected from its use or disposal and significant risks and rewards incidental to ownership have been transferred. Gains or losses on disposal of assets, if any, are recognized in the profit and loss account, as and when incurred.

Revalued assets

Revaluation of leasehold premises is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of leasehold premises is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "surplus on revaluation of property" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged. Any decrease that reverses previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decrease are charged to the statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal of revalued assets

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, if any, is transferred directly to retained earnings.

<u>Change in accounting policy:</u>

During the year, the Company changed its accounting policy in respect of the measurement and presentation of surplus on revaluation of property due to the adoption of the Companies Act, 2017 (the Act) which became applicable for the first time for the preparation of financial statements for the year ended June 30, 2018. Previously, the Company's accounting policy was in accordance with the provisions of the repealed Companies Ordinance, 1984 according to which the surplus on revaluation of property was shown as a separate item below equity. The Company has changed the accounting policy to bring it in conformity with the accounting treatment and presentation of surplus on revaluation of property as specified in IAS 16 - "Property, Plant and Equipment", according to the surplus on revaluation of property is now presented as part of equity in the statement of financial position and the statement of changes in equity as a capital reserve.

In accordance with the requirements of IAS 8 'Accounting policies, estimates and errors', the above explained changes in accounting policy has been accounted for retrospectively, with the restatement of the comparative information. As a result, a third statement of financial position as at the beginning of the preceding period is presented (i.e. July 01, 2016) in accordance with the requirements of IAS 1 - "Presentation of Financial Statements".

Retrospective impact of change in accounting policy ***Statement of Financial Position***	***As Previously Reported***	***Adjustments - Increase / (Decrease)***	***As Restated***
Surplus on revaluation of property (within equity)	-	11,038,324	11,038,324
Net impact on equity	**-**	**11,038,324**	**11,038,324**
Surplus on revaluation of property (below equity)	**11,038,324**	**(11,038,324)**	**-**

Had the accounting policy not been changed during the year, the shareholders' equity as on June 30, 2018 would have reduced by Rs. 7.849 million while surplus on revaluation of property would have been disclosed below the equity by the same amount.

There was no change in the reported amount of the statement of profit or loss and other comprehensive income as there was no decrease in the carrying amount of asset as a result of revaluation except the retrospective effect stated above for the year ended June 30, 2018. There was no cash flow impact as a result of the retrospective application of change in accounting policy.

3.2 *Intangible assets*

Membership Card - Pakistan Mercantile Exchange Limited

This is stated at cost less impairment, if any. This is not amortized due to the fact that it has an indefinite useful life. Useful life can not be ascertained as it is unknown that how long member will hold the card. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Trading Rights Entitlement Certificate (TREC)

This is initially measured at apportioned value of carrying value of surrendered card which is apportioned between TREC and Shares of PSX. Subsequent to its initial recognition, it is measured at cost less impairment, if any. impairment test is done to assess whether this is in excess of its recoverable amount, and where the carrying amount exceeds the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amounts.

Softwares

Software are stated at cost less accumulated amortization and any identified impairment loss. Amortization on softwares is charged to income by applying straight line method at the rates specified in the relevant note. Amortization is charged from the month of acquisition of softwares, up to the month of deletion. The carrying value of softwares are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the softwares are written down to their recoverable amount.

3.3 *Investments*

All investments are initially recognized at cost, being the fair value of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

Available for sales - PSX shares

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the date of statement of financial position. Available for sale financial assets are classified as long term investments in the statement of financial position unless intended to dispose off with in twelve months in which case these are classified as short term investment.

At reporting date the Company has its available for investment only in shares of PSX. These were initially measured at carrying value of surrendered card which is apportioned between TREC and Shares of PSX. Currently, these are valued at fair value which is measured using quoted prices in an active market.

Unrealized gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in other comprehensive income in the period in which they arise.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in "other comprehensive income" are included in the profit and loss account as gains and losses on disposal of long term investments. Dividends on available for sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

At fair value through profit and loss

Investments are classified as held-for-trading if they are acquired for the purpose of generating profit from short term fluctuations in market price. These are initially recognized at fair value. The fair value of such investments representing listed equity is determined on the basis of prevailing market prices and recognized in the financial statement. Gains or losses on investments held-for-trading are recognized in profit and loss account.

3.4 *Trade debts*

Trade debts are recognized initially at fair value and subsequently measured at amortized cost after deducting provision for bad debts, if any. A provision for bad debts is established when there is an objective evidence that the Company will not be able to collect all amounts due from clients according to the original terms of transactions. Trade debts considered irrecoverable are written off. The receivables in respect of securities sold on behalf of clients are recorded at settlement of transactions.

3.5 *Other receivables*

These are stated as nominal values net of provision for doubtful debts. Full provision is made against the receivables considered doubtful. Other receivables are written off when they are not recoverable.

3.6 *Fiduciary assets*

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the company and accordingly are not included in these financial statements.

3.7 *Loans, advances and deposits*

These are carried at cost which is the fair value of the consideration to be received / settled. Provision is made against balances considered doubtful. Balances considered irrecoverable are written off.

3.8 *Cash and cash equivalents*

It comprises of cash in hand and cash at bank which are carried at cost. For the purpose of cash flow statements, cash and cash equivalent include cash in hand, current and deposit account held with the banks.

3.9 *Trade and other payables*

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company. Trade payables in respect of securities are recorded at settlement date of transactions.

3.10 *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enactive on the date of statement of financial position and only adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.11 Provisions

Provisions are recognized when the company has present legal or constructive obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation, and reliable estimates of the amount can be made of the amount of obligation. Provisions are reviewed at the each reporting date and adjusted to reflect current best.

3.12 Revenue recognition

Revenue from brokerage services

- Brokerage commission and advisory fees are recorded as and when services are provided and it is probable that the economic benefits associated with the transactions will flow to the Company.

Other revenue

- Profit on deposits and margin financing is recognized on a time proportionate basis, with reference to the principal outstanding and at the applicable effective interest rate.

- Gain on sale of fixed assets is recorded when title is transferred in favor of the transferee.

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

- Unrealized gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss are included in profit and loss account in the period in which they arise. While unrealized gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in other comprehensive income in the period in which they arise.

- Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.

- Miscellaneous income is recognized on occurrence of transactions.

3.13 Staff retirement benefits

Employees' gratuity

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the Company. Gratuity payable is accounted for on accrual basis. Provisions are made annually to meet the obligation on the basis of the product of employees' last drawn salary and the number of years served to date.

3.14 *Financial instruments*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured initially at fair value. Fair value is the amount for which assets could be exchanged, or liabilities settled, between knowledgeable willing parties in an arm's length transaction on the measurement date. When available, the company measures the fair value of an investment using quoted price in an active market for the instrument. A market is regarded as active if quoted price are readily and regularly available and represent actual and regularly occurring market transaction on an arm's length basis. Financial assets are derecognized when the contractual right to cash flow from the financial assets expired or is transferred. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired. Financial instrument carried on the reporting date include investments, trade debts, other receivable, loans and advances, cash and bank balances, deposits borrowings, trade and other payables and accrued and other liabilities. The particular recognition method adopted are disclosed in the individual policy statement associated with each item.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when the company has legally enforceable right to offset the recognized amount and intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.15 *Borrowing cost*

Borrowing cost are recognized as expense in the period in which these are incurred.

3.16 *Impairment*

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Any impairment loss arising on financial assets is recognized in profit and loss account.

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 any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. 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 has been 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.

4 PROPERTY AND EQUIPMENT

Particulars	Owned Asset					Total
	Office premises* Lease hold	Computers	Office equipments	Furniture and fixtures	Vehicles	
	---------- Rupees ----------					
Year ended June 30, 2018						
Opening net book value	24,930,696	1,625,204	2,016,922	1,667,716	96,009	30,336,547
Additions during the year	-	574,938	81,255	-	-	656,193
Disposals during the year	(4,112,442)	-	-	-	-	(4,112,442)
Depreciation charge for the year / on Disposals	(1,175,631)	(615,232)	(205,914)	(166,772)	(19,202)	(2,182,751)
Closing net book value as on June 30, 2018	19,642,624	1,584,910	1,892,263	1,500,944	76,807	24,697,548
As at June 30, 2018						
Revalued amount* / cost *	20,850,368	8,004,376	3,028,618	3,029,662	1,643,205	36,556,229
Accumulated depreciation	(1,207,744)	(6,419,466)	(1,136,355)	(1,528,718)	(1,566,398)	(11,858,681)
Closing net book value as on June 30, 2018	19,642,624	1,584,910	1,892,263	1,500,944	76,807	24,697,548
Year ended June 30, 2017						
Opening net book value	5,730,820	884,762	523,426	654,433	120,011	7,913,452
Additions during the year	3,508,000	1,152,884	1,633,004	1,145,550	-	7,439,438
Disposals during the year	-	-	-	-	-	-
Depreciation charge for the year	(209,672)	(412,442)	(139,508)	(132,267)	(24,002)	(917,891)
Revaluation*	15,901,548	-	-	-	-	15,901,548
Closing net book value as on June 30, 2017	24,930,696	1,625,204	2,016,922	1,667,716	96,009	30,336,547
As at June 30, 2017						
Revalued amount* / cost *	25,140,368	7,429,438	2,947,363	3,029,662	1,643,205	40,190,036
Accumulated depreciation	(209,672)	(5,804,234)	(930,441)	(1,361,946)	(1,547,196)	(9,853,489)
Closing net book value as on June 30, 2017	24,930,696	1,625,204	2,016,922	1,667,716	96,009	30,336,547
Rate of depreciation (%)	5%	30%	10%	10%	20%	

4.1 Had there been no revaluation, the written down value of office premises would have been amounted to 8.538 million (2017: Rs. 9.162).

4.2 The forced sale value of the revalued office premises has been assessed at Rs. 14,758,125.

4.3 Particulars of asset disposed off during the year :-

Description	Revalued amount	Written down value	Sales proceeds	Gain / (Loss)	Mode of disposal	Particular of buyer
	-(Rupees in thousand)-					
Office premises 705	**4,290,000**	**4,112,442**	**3,850,000**	**(262,442)**	Negotiation	Mr. Amin Noor Muhammad

4.3.1 The Company has no relationship with the buyer.

	Note	2018 Rupees	2017 Rupees
5 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC)	5.1	**2,500,000**	3,415,954
Membership Card of PMEX		**250,000**	250,000
Microsoft Soft Ggwa Olp	5.2	**61,646**	77,057
Online Trading Software	5.3	**531,219**	657,775
		3,342,865	4,400,786

5.1 *Trading Right Entitlement Certificate (TREC)*

	Note	2018	2017
Opening book value		**3,415,954**	3,415,954
Provision for impairment	24	**(915,954)**	-
Closing book value		**2,500,000**	3,415,954

The management of the Company has valued TREC at Rs. 2.5 million as on June 30, 2018, based on the offer for issuance of TREC issued by PSX via notice PSX / N-1245 dated February 26, 2018 indicating fee for new TREC Certificate amounting to Rs. 2.5 million.

5.2 *Microsoft GGWA OLP*

	2018 Rupees	2017 Rupees
Opening net book value	**77,057**	92,468
Amortization charge @ 10% on cost	**(15,411)**	(15,411)
Closing net book value	**61,646**	77,057
As at June 30, 2018		
Cost	**154,112**	154,112
Accumulated amortization	**(92,466)**	(77,055)
	61,646	77,057
Rate of amortization	**10%**	10%

	Note	2018 Rupees	2017 Rupees
5.3 *Online Trading Software*			
Opening net book value		**657,775**	784,331
Amortization charge @ 10% on cost		**(126,556)**	(126,556)
Closing net book value		**531,219**	657,775
As at June 30, 2018			
Cost		**1,265,555**	1,265,555
Accumulated amortization		**(734,336)**	(607,780)
		531,219	657,775
Rate of amortization		**10%**	10%

6 LONG TERM INVESTMENT

- Available for sale - fair value
Shares of listed company

	Note	2018 Rupees	2017 Rupees
Pakistan Stock Exchange (PSX)			
Carrying value		**41,163,833**	3,633,618
(Loss) /Gain on remeasurement of available for sale investments		**(9,505,511)**	37,530,215
	6.1 & 6.2	**31,658,322**	41,163,833

	2018 Number of Shares	2017 Number of Shares		2018 Rupees	2017 Rupees
6.1	**1,602,953**	1,602,953	Pakistan Stock Exchange Limited	**31,658,322**	41,163,833

6.2 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act), the ownership rights in a Stock Exchange was segregated from the right to trade on the exchange. Accordingly, the Company received equity shares of PSX and a Trading Right Entitlement certificate (TREC) in lieu of its Membership Card of PSX.

As per the arrangements, the authorized and paid-up capital of PSX was Rs. 10,000,000,000 and Rs.8,014,766,000 respectively with a par value of Rs. 10 each. The paid-up capital of PSX was equally allotted among 200 members of PSX by issuance of 4,007,383 shares at the face value of Rs. 10 each to each member including the Company in the following manner:

1. 40% of the total shares allotted (i.e. 1,602,953 shares) were transferred in the House Account - CDC of each initial shareholder. These shares were pledged with PSX.

2. 60% of the total shares (i.e. 2,404,430 shares) have been deposited in a sub-account in Company's name under PSX's participant ID with CDC which were remained blocked for divestment to strategic investor(s), general public and financial institutions.

Initially, in the absence of an active market of the shares of KSEL and TREC, these shares were valued by allocating the carrying value of the Membership Card of Rs. 12.5 million between the shares (financial asset) and TREC (an intangible asset) on the basis of the value of ordinary shares of KSEL and the TREC assigned by the KSEL for minimum base capital requirement purposes applicable to the Stock Exchange brokers on May 03, 2013. Subsequently, impairment was recorded to bring down the value of shares and TREC equal to their values announced by the KSEL for minimum base capital requirement.

During the financial year 2017, the above mentioned 60% (2,404,430 shares) blocked shares were disposed off by the PSX out of which 40% shares were disposed off to Chinese Consortium while 20% shares were disposed off through book building process both at Rs. 28 per share.

After public subscription, shares of PSX were listed on June 29, 2017 at an initial price of Rs. 28 per share. Market value as on June 30, 2018 is Rs. 19.75 (2017: Rs. 25.68) per share.

As on the balance sheet date, Company has 1,081,194 (2017: 1,602,953) shares of PSX which have been marked as freezed by the CDC. While as per the requirements of Sub-Regulation 1, 2 and 3 of Regulation 5 of Public Offering Regulations, 2017 promulgated by the SECP, PSX was required to release 75 % of freezed shares of 1,602,953 after one year of public subscription i.e. June 29, 2018. However, at current reporting date only 521,759 shares out of 1,602,953 were released by PSX.

The management of the Company has intention to hold the unfreezed shares for more than one year.

6.3 *Break up of shares received and transacted is as follows :*

	Number of share
Shares Transferred to Chinese Consortium	**1,602,953**
Shares Sold to General Public	**801,477**
Shares in Hand	**1,602,953**
Total Shares Originally Allotted to the Company	**4,007,383**

	Note	***2018 Rupees***	*2017 Rupees*
7 LONG TERM DEPOSITS			
Deposits with			
Pakistan Mercantile Exchange Limited - for Office		**2,500,000**	2,500,000
Pakistan Mercantile Exchange Limited		**1,250,000**	1,250,000
National Clearing Company of Pakistan Limited		**1,500,000**	1,500,000
Others		**14,000**	14,000
		5,264,000	5,264,000
8 TRADE DEBTS			
Considered good			
From Chief Executive - related party	8.1	**5,162,678**	-
From Directors - related parties		**4,493,837**	317,083
		9,656,515	317,083
From others	8.2	**47,240,822**	52,212,809
		56,897,337	52,529,892
Considered doubtful - from others		**714,872**	714,872
		57,612,209	53,244,764
Provision for considered doubtful		**(714,872)**	(714,872)
	8.3	**56,897,337**	52,529,892

8.1 *Trade receivables from related parties*

Name of related party	*Gross amount due*	*Past due amount*	*Provision for doubtful receivables*	*Reversal of provision of doubtful receivables*	*Amount due written off*	*Net amount due*	*Maximum amount outstanding at any time during the year*
	-----	-----	-----	*Rupees*	-----	-----	-----
Mr. Ayaz (Director)	4,493,667	-	-	-	-	4,493,667	5,047,762
Mr. Muhammad Aman (Chief Executive Officer)	5,162,678	-	-	-	-	5,162,678	5,989,878
Mr. Abdul Razak Jandga (Director)	170	-	-	-	-	170	170
Mr. Mohsin Adhi (Director)	-	-	-	-	-	-	18,113
Mr. Muhammad Iqbal Adhi (Director)	-	-	-	-	-	-	33,238
	9,656,515	-	-	-	-	9,656,515	11,089,161

8.1.1 *Age analysis of trade receivables from related parties*

Name of related party	*Amount not past due*	*Amount past due*					*Total gross amount due*
		Past due 0-30 days	*Past due 31-60 days*	*Past due 61-90 days*	*Past due 91-365 days*	*Past due 365 days*	
	-----	-----	-----	*Rupees*	-----	-----	-----
Mr. Ayaz (Director)	**4,493,667**	**1,769,085**	**2,724,582**	-	-	-	**4,493,667**
Mr. Muhammad Aman (Chief Executive)	**5,162,678**	**739,023**	**2,323,233**	-	**2,100,422**	-	**5,162,678**
Mr. Abdul Razak Jandga (Director)	**170**	-	-	-	-	-	**170**
	9,656,515	**2,508,108**	**5,047,815**	-	**2,100,422**	-	**9,656,515**

8.2 This includes Rs. 10.324 (2017: Rs. 34.893) million receivable against margin financing facility offered to various clients at different Financing Participation Ratio ranging from 75% to 90% at the markup rates ranging from 9% to 12%.

8.3 As on the balance sheet date, securities held on the name of sub-account holders (clients) amounting to Rs. 423,122,597 comprising of 62,769,205 shares.

	Note	2018 Rupees	2017 Rupees
9 LOANS AND ADVANCES			
Considered good			
- Loan			
Director	9.1	**7,053,056**	-
- Advances			
- to staff		**708,700**	382,550
- to Contractor		**-**	200,000
		708,700	582,550
		7,761,756	582,550

9.1 The loan is provided to Mr. Muhammad Aman, Chief Executive Officer of the Company. 'The loan is unsecured, interest free and recoverable on demand. Total amount of loan is recoverable. therefore, no provision has been recorded. Legal formalities in pursuant of the conditions enumerated under the Companies Act, 2017 are not fulfilled relating to the payment of this loan.

	Note	2018 Rupees	2017 Rupees
10 DEPOSITS AND OTHER RECEIVABLES			
Deposits			
With Pakistan Stock Exchange Limited			
- Against Base Minimum Capital	10.1	**2,000,000**	18,000,000
Other receivables - considered good			
- From NCCPL against future profit retained		**1,867,575**	8,343,048
- Markup receivable against margin financing		**1,906,681**	877,741
- CDC charges receivable		**181,095**	270,336
- From PSX against sale of shares	10.2	**-**	4,488,268
		3,955,351	13,979,393
		5,955,351	31,979,393

10.1 This represents deposit maintained by the Company, as a broker, with the PSX for its eligibility to trade through the Exchange Trading Systems to be calculated / prescribed as per Schedule I to Chapter 19 of the PSX Rule Book.

10.2 This represented 10% of sale proceeds withheld by Pakistan Stock Exchange Limited (PSX) on disposal of shares of PSX to Chinese Consortium in previous year which has been received during the current financial year.

	Note	2018 Rupees	2017 Rupees
11 SHORT TERM INVESTMENTS			
- At fair value through profit or loss			
In shares of listed companies			
Carrying value		**6,940,743**	12,267,053
Loss on remeasurement of investments carried at fair value through profit and loss account		**(872,109)**	(1,719,829)
	11.1	**6,068,634**	10,547,224

11.1 At fair value through profit and loss Ordinary shares of listed companies

No. of shares				*Market Value*	
2018	2017			**2018**	2017
			Note	***Rupees***	*Rupees*
200	500	Attock Refinery Limited		**43,062**	191,290
-	6,000	Bawany Air Products Limited		**-**	68,580
17,500	2,500	Balochistan Glass Limited		**184,450**	37,875
1,000	-	Bilal Fibres Limited		**3,120**	-
1,000	1,000	Burshane LPG (Pakistan) Limited		**45,200**	54,020
-	1,000	Dewan Farooque Motors Limited		**-**	33,790
-	24,000	Dewan Farooque Spinning Mills Limited		**-**	120,000
10,000	134,000	Dewan Salman Fibre Limited		**-**	545,380
700	-	D.G. Khan Cement Company Limited		**80,143**	-
-	8,000	Engro Foods Limited		**-**	971,920
25,500	-	Engro Polymer & Chemicals Limited		**799,680**	-
9,248	-	Engro Polymer & Chemicals Limited-LOR		**81,567**	-
301	500	Ferozsons Laboratories Limited		**58,614**	193,255
-	4,500	Fauji Foods Limited		**-**	338,760
4,000	-	Fauji Cement Company Limited		**91,400**	-
5,000	3,000	Ghani Automobile Industries Limited		**34,700**	35,010
-	50	Ghandhara Industries Limited		**-**	32,506
-	6,000	Ghani Value Glass Limited		**-**	123,000
-	2,000	Hala Enterprises Limited		**-**	16,960
122	-	Highnoon Laboratories Limited		**50,082**	
-	235	Husein Sugar Mills Limited - LOR		**-**	4,573
-	6,500	International Steels Limited		**-**	831,285
50,000	-	Javedan Corporation Limited		**1,790,000**	
-	15,000	Kohinoor Spinning Mills Limited		**-**	73,650
5,000	-	Loads Limited		**155,900**	-
250	-	Lucky Cement Limited		**126,983**	-
3,500	-	Pak Elektron Limited		**124,110**	-
23,000	-	Pakistan International Airlines Corporation Limited - (A)		**94,070**	-
68,000	64,000	Pakistan International Bulk Terminal Ltd		**771,800**	1,482,240
6,500	2,500	Pakistan Refinery Limited		**225,615**	133,150
25,000	-	Pakistan Stock Exchange Limited		**493,750**	-
2	-	Pak Suzuki Motor Company Limited		**787**	-
5,000		Quice Food Industries Limited		**25,000**	-
4,002	2,000	Roshan Packages Limited		**112,736**	112,340
6,000	-	Siddiqsons Tin Plate Limited		**91,320**	-
42,000	-	Siddiqsons Tin Plate Limited - LOR		**54,600**	-
15,500	90,500	Treet Corporation Limited		**529,945**	5,147,640
328,325	373,785			**6,068,634**	10,547,224

12 INCOME TAX REFUNDS DUE FROM GOVERNMENT

Income tax refundable	12.1	**10,214,892**	10,218,922

	Note	2018 Rupees	2017 Rupees
12.1 Balance as on July 01,		**10,218,922**	4,836,024
Prior year adjustment		**(99,183)**	-
Taxes paid during the year		**4,918,971**	8,248,989
Tax liability for the year	26	**(4,823,818)**	(2,866,091)
Balance as on June 30,		**10,214,892**	10,218,922

13 CASH AND BANK BALANCES

	Note	2018 Rupees	2017 Rupees
Cash in hand		**137,782**	140,079
Cash at banks			
- Own			
Current accounts		**8,462,204**	7,645,407
PLS accounts	13.1	**2,215,575**	1,711,049
		10,677,779	9,356,456
- Client			
Current accounts		**28,807,137**	52,467,721
		39,622,698	61,964,256

13.1 This amount carries markup ranging from 4% to 4.5% (2017: 3.5% to 4.5%) per annum.

14 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018 Number of Shares	2017 Number of Shares		2018 Rupees	2017 Rupees
		Ordinary shares of Rs.10 each		
4,299,000	4,299,000	fully paid in cash	**42,990,000**	42,990,000
750,000	750,000	issued as bonus shares	**7,500,000**	7,500,000
5,049,000	5,049,000		**50,490,000**	50,490,000

14.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

14.2 PATTERN OF SHAREHOLDING:

S. No.	Names	No. of shares	Percentage
1	Muhammad Iqbal Adhi	**441,788**	**8.75%**
2	Mohsin	**378,675**	**7.50%**
3	Muhammad Aman	**504,900**	**10.00%**
4	Ayaz	**631,125**	**12.50%**
5	Ms. Armila	**504,900**	**10.00%**
6	Ms. Aisha	**504,900**	**10.00%**
7	Abdul Razzaq Jangda	**580,635**	**11.50%**
8	Muhammad Rafiq	**504,900**	**10.00%**
9	Others having less than 5% shareholding	**997,177**	**19.75%**
		5,049,000	**100%**

14.3 No change in shareholding is made during the year.

15 SURPLUS ON REVALUATION OF PROPERTY

	2018 Rupees	2017 Rupees
Balance as on July 01,	**15,769,035**	-
Revaluation during the year	**-**	15,901,548
Transferred from revaluation reserve to retained earnings on account of disposal of assets	**(3,875,770)**	-
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax	**(551,916)**	(91,434)
Tax effect on incremental depreciation transferred to equity	**(236,536)**	(41,079)
	11,104,813	15,769,035
Less: Related deferred tax liability		
Opening balance	**(4,730,711)**	-
Revaluation during the year	**-**	(4,929,480)
Effect of disposal of asset	**1,127,234**	
Effect of change in tax rate by 1 %	**111,048**	157,690
Effect on incremental depreciation transferred to equity	**236,536**	41,079
Closing balance	**(3,255,894)**	(4,730,711)
Balance as on June 30 - net of deferred tax	**7,848,919**	11,038,324

15.1 The Company carried out revaluation of its office premises under market value basis by an independent valuer, M/s. Zafar Iqbal & Company as on April 30, 2017, resulting in a surplus of Rs. 15,901,548, over book values which were credited to surplus on revaluation of fixed assets.

16 DEFERRED LIABILITIES

	Note	2018 Rupees	2017 Rupees
Employees' gratuity	16.1	**3,452,841**	2,849,991
Deferred tax liability	16.2	**3,647,025**	5,253,377
		7,099,866	8,103,368

16.1 *Employees' Gratuity*

	2018 Rupees	2017 Rupees
Opening balance	**2,849,991**	2,349,796
Provision for the year	**602,850**	500,195
Payment during the year	**-**	-
	3,452,841	2,849,991

16.2 *This comprises of the following: -*

	2018 Rupees	2017 Rupees
Taxable temporary differences		
Accelerated depreciation for tax purposes	**4,826,134**	6,322,836
Deductible temporary differences		
Provision for employees gratuity	**(976,861)**	(854,997)
Provision for bad debts	**(202,248)**	(214,462)
	(1,179,109)	(1,069,459)
	3,647,025	5,253,377

17 LONG TERM DEPOSITS

	Note	2018 Rupees	2017 Rupees
Client deposits	17.1	**518,384**	542,287

17.1 The represents amount received as security deposits for services to be provided to the clients.

18 TRADE AND OTHER PAYABLES

	2018 Rupees	2017 Rupees
Trade payable	**28,807,137**	52,467,721
Accrued liabilities	**219,548**	256,435
Dividend payable	-	6,592,734
Withholding tax payable	**79,606**	1,052,641
Sindh Sales Tax on services payable	**138,580**	397,841
	29,244,871	60,767,372

19 BANKING FACILITIES

19.1 The Company has available running finance facility of Rs. 100 (2017: Rs. 50) million at markup of 1 month KIBOR plus 2% from a banking company to meet working capital requirements. At period end, the unavailed facility amounted to Rs. 100 (2017: Rs. 50) million.

19.2 The Company has available facility for bank guarantee amounting to Rs. 33 (June 30, 2017: Rs. 15) million of which Rs. 18 (June 30, 2017: Rs. 5) million is unavailed at the year end.

19.3 These facilities are secured against: -

- Equitable mortgage over properties of the Company with SECP registered charge.

- Pledge of shares against the banking facilities in CDC account amounting to Rs. 33,460,061 out of which Rs. 32,380,961 belong to customers. These are considered with a minimum margin of 30% on shares as per bank's approved list.

- Personal guarantees of all the Directors of the Company.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The Company has given irrevocable financial bank guarantee in favor of National Clearing Company of Pakistan amounting to Rs. 15 (2017: Rs. 10) million.

20.1.2 The Company has not recorded provision for Workers' Welfare Fund for the year ended June 30, 2014 amounting to Rs. 218,490 respectively on the ground that issue of chargeability of WWF on such companies is under litigation before the Honourable High Court of Sindh, whereby stay has been granted to various companies. However, the Company itself has not challenged the levy in the Court and may be required to pay the amount in case tax authorities issue any order in this respect.

20.2 Commitments

Commitments against unrecorded transactions executed before the year end having settlement date subsequent to year end are as follows:

	2018 Rupees	2017 Rupees
For purchase of shares	**38,442,020**	31,386,833
For sale of shares	**28,294,997**	42,954,737

	Note	2018 Rupees	2017 Rupees

21 OPERATING REVENUE

	Note	2018 Rupees	2017 Rupees
Commission income - gross		**32,329,447**	55,940,233
Less: Sindh Sales Tax on services		**(3,738,152)**	(6,850,411)
		28,591,295	49,089,823
Less: Commission paid to agents		**(5,571,972)**	(8,965,524)
	21.1	**23,019,323**	40,124,299

21.1 This represents brokerage income earned from retail customers.

22 OPERATING AND ADMINISTRATIVE EXPENSES

	Note	2018 Rupees	2017 Rupees
Salaries, allowances and other benefits	22.1	**11,642,580**	9,892,740
Directors' remuneration	27	**5,220,000**	5,115,000
Postage and telephone		**1,154,986**	1,263,988
Fees and subscription		**1,743,111**	1,733,705
Depreciation	4	**2,182,751**	917,891
Amortization	5.1	**141,967**	141,967
Electricity charges		**715,290**	733,571
Computer expenses		**712,936**	1,235,307
Traveling expenses		**57,925**	111,211
Legal and professional charges		**190,080**	130,200
Repairs and maintenance expenses		**221,170**	521,758
CDC charges		**1,457,377**	1,815,368
Printing and stationery expenses		**93,439**	155,708
Entertainment expenses		**225,263**	220,125
Insurance expense		**37,417**	-
Advertisement expenses		**73,600**	148,139
NCCPL charges		**462,437**	2,364,955
Water and sewerage		**22,167**	21,174
		26,354,496	26,522,807

22.1 This includes provision for gratuity amounting to Rs. 602,850 (2017 : Rs. 500,195).

23 FINANCIAL CHARGES

	2018 Rupees	2017 Rupees
Bank charges	**300,812**	312,473
Mark-up on running finance	**1,305,324**	2,149,876
	1,606,136	2,462,349

24 OTHER EXPENSES

	Note	2018 Rupees	2017 Rupees
Auditors' remuneration	24.1	**772,020**	277,200
Research and development charges		**2,689,400**	2,308,500
Impairment of Trading Rights Entitlement	5.1	**915,954**	-
Remeasurement loss on investments carried at fair value through profit and loss	11	**872,109**	1,719,829
Capital loss on disposal of investments		**2,996,430**	-
Loss on disposal of fixed asset		**262,442**	-
Miscellaneous expenses		**232,659**	177,623
		8,741,013	4,483,152

24.1 Auditors' remuneration

	2018 Rupees	2017 Rupees
Statutory audit	**150,000**	135,000
Tax and corporate services	**622,020**	142,200
	772,020	277,200

25 OTHER INCOME

	Note	2018 Rupees	2017 Rupees
- from financial assets			
Mark up on PLS deposit accounts		**79,029**	102,346
Mark up on PSX deposits		**383,120**	444,243
Mark up against margin financing		**1,906,681**	877,741
Dividend from Pakistan Stock Exchange Limited		**641,926**	440,811
Capital Gain on disposal of investments - net	25.1	-	63,199,659
		3,010,756	65,064,800
- from other than financial assets			
Recovery against provision for bad debts		-	902,605
Commission on Book Building - IPO		**245,696**	707,736
		245,696	1,610,341
		3,256,452	66,675,141

25.1 Capital Gain on disposal of investments - net

	2018 Rupees	2017 Rupees
Long term investment - PSX shares	-	61,873,600
Short term investments	-	1,326,059
	-	63,199,659

26 TAXATION

	Note	2018 Rupees	2017 Rupees
Current	26.1	**4,823,818**	2,866,091
Prior		**99,183**	-
Deffered	16.2	**(368,070)**	647,970
		4,554,931	3,514,061

26.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as relationship between these could not be developed due to tax being arising under Final Tax Regime (FTR) of the Income Tax Ordinance, 2001 owing to income taxable under FTR.

26.2 Returns for the tax year up to 2017 have been filed, which are deemed to be assessment order under provisions of the Income Tax Ordinance, 2001, however the CIT has power to re-assess any of the five preceding tax years.

	Note	2018 Rupees	2017 Rupees
27 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS			
To Chief Executive Officer (One)			
Managerial remuneration		**720,000**	504,000
House rent		**240,000**	168,000
Conveyance allowance		**120,000**	84,000
Utilities		**120,000**	84,000
		1,200,000	840,000
To Directors (Four)			
Managerial remuneration		**2,412,000**	1,951,200
House rent		**804,000**	650,400
Conveyance allowance		**402,000**	325,200
Utilities		**402,000**	325,200
Bonus		**-**	1,023,000
		4,020,000	4,275,000
Total		**5,220,000**	5,115,000

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

28.1 Financial Instrument by Category

	Note	2018 Rupees	2017 Rupees
Financial Asset			
Available for sale			
Long term investment	6	**31,658,322**	41,163,833
Fair value through profit and loss			
Short term investments	11	**6,068,634**	10,547,224
Loans and receivables - at amortized cost			
Long term deposits	7	**5,264,000**	5,264,000
Trade debts	8	**56,897,337**	52,529,892
Loans and advances	9	**708,700**	382,550
Deposits and other receivables	10	**5,955,351**	31,979,393
Cash and bank balances	13	**39,622,698**	61,964,256
		108,448,086	152,120,091
		146,175,041	203,831,148
Financial Liabilities			
- At amortized cost			
Long term deposits	17	**518,384**	542,287
Trade and other payables	18	**29,026,685**	59,316,890
Mark up accrued		**100,915**	679,745
		29,645,984	60,538,922

28.2 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk market risk (interest / mark-up rate risk and price risk) and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risks without any material change from previous period in the manner described in the notes below.

The Company has exposures to the following risks from its use of financial instruments: -

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

28.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally out of receivables from customers, advances, deposits other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margin are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The management also carries out necessary steps for security of Company's treasury.

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

	Note	2018 Rupees	2017 Rupees
Long term deposits	7	**5,264,000**	5,264,000
Trade debts	8	**56,897,337**	52,529,892
Loans and advances	9	**708,700**	382,550
Deposits and other receivables	10	**5,955,351**	31,979,393
Bank balances	13	**39,484,916**	61,824,177
		108,310,304	151,980,012

28.3.1 Ageing of debtors and impairment losses

The aging of trade debtors at the balance sheet date was:-		
Past due 1-5 days	**6,287,924**	4,357,974
Past due more than 5 days	**51,324,285**	48,886,790
Impaired - more than 5 days	**(714,872)**	(714,872)
	50,609,413	48,171,918
	56,897,337	52,529,892
Securities available for overdue receivables of more than 5 days after applying VAR based haircut	**349,049,507**	313,793,155

Based on the consideration of financial position and subsequent recovery / adjustment through trades, the Company believes that provision made for trade debts past due for more than 5 days is adequate and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision is made in these financial statements.

28.3.2 Credit Rating of Company's Banks

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows: -

Name of banks	*Rating Agency*	*Credit rating*	
		Short term	*Long term*
Bank Alfalah Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
NIB Bank Limited	PACRA	A1+	AA-
JS Bank Limited	PACRA	A1 +	AA-
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AAA
National Bank Limited	JCR-VIS	A1+	AAA

28.3.3 Other financial assets do not require any provision as these mainly comprise of balances recoverable from the regulators.

28.4 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, working capital and running finance facility from banks with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

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

	2018			
	Carrying Amount	*Contractual cash out flows*	*Up to one year*	*More than one year*
	------------- *Rupees* -------------			
Financial liabilities				
Long term deposits	**518,384**	**518,384**	**-**	**518,384**
Trade and other payables	**29,026,685**	**29,026,685**	**29,026,685**	**-**
Mark up accrued	**100,915**	**100,915**	**100,915**	**-**
Short term bank borrowings	**-**	**-**	**-**	**-**
	29,645,984	**29,645,984**	**29,127,600**	**518,384**

	2017			
	Carrying Amount	*Contractual cash out flows*	*Up to one year*	*More than one year*
	- - - - - - - - - - - - Rupees - - - - - - - - - - - -			
Financial liabilities				
Long term deposits	542,287	542,287	-	542,287
Trade and other payables	59,316,890	59,316,890	59,316,890	-
Mark up accrued	679,745	679,745	679,745	-
Short term bank borrowings	-	-	-	-
	60,538,922	60,538,922	59,996,635	542,287

28.5 *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 risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

28.5.1 *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

28.5.2 *Interest / mark up rate risk*

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:-

	2018	2017	**2018**	2017
	Effective interest rate (%)		***Carrying amounts***	
			Rupees	*Rupees*
Financial assets				
Bank Balances	**4 % to 4.5 %**	3.5 % to 4.5%	**2,215,575**	1,711,049
Financial Liabilities				
Short term bank borrowings	**1 month KIBOR + 2%**	3 month KIBOR + 2%	-	-

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2017.

	Profit and loss 100 bp	
	Increase	***Decrease***
As at June 30, 2018		
Cash flow Sensitivity	**22,156**	**(22,156)**
As at June 30, 2017		
Cash flow Sensitivity	17,110	(17,110)

28.5.3 *Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to equity investment. Investments are monitored through continuous trend prevailing in the market for which an investment committee has been setup to take appropriate decision.

Sensitivity analysis

A 10% increase / decrease in share prices at year end would have increased / (decreased) the Company's unrealized gain / (loss) on remeasurement of available for sale investment through OCI and through statement of profit or loss incase of investments at fair value through profit or loss as follows:

	OCI / Profit or loss	
	Increase	***Decrease***
As at June 30, 2018		
Available for sale investments through OCI	**3,165,832**	**(3,165,832)**
At fair value through profit and loss account	**606,863**	**(606,863)**

	OCI / Profit or loss	
	Increase	*Decrease*
As at June 30, 2017		
Available for sale investments through OCI	4,116,383	(4,116,383)
At fair value through profit and loss account	1,054,722	(1,054,722)

28.6 *Operational risk*

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arising formal the company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas.

i Requirements for appropriate segregation of duties between various functions, roles and responsibility;
ii Requirements for the reconciliation and monitoring of transactions;
iii Compliance with regulatory and other legal requirements;
iv Documentation of control and procedures;
v Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
vi Ethical and business standards;
vii Risk mitigation, including insurance where this is effective.

28.6 Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like market price risk, interest rate risk and investing excessive liquidity.

28.7 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business activities and to sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2018.

Capital is monitored on the basis of gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions plus accrued markup less cash and bank balances.

	2018	*2017*
	Rupees	*Rupees*
Total borrowings	-	-
Accrued markup	**100,915**	679,745
Less: Cash and bank balances	**(39,622,698)**	(61,964,256)
Net debt	**(39,521,783)**	(61,284,511)
Shareholders' equity	**154,519,367**	178,894,631
Net debt and equity	**114,997,584**	117,610,120
Gearing ratio	**0.0%**	0.0%

Company has sufficient funds exceeding its total borrowings, therefore the gearing is shown as nil.

28.8 Fair Value of Financial Instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.

Fair value hierarchy

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its property and investments in terms of following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

Details of the Company's property and investments in terms of fair value hierarchy, explained above, at June 30, 2018 is as follows:

	Level 1	*Level 2*	*Level 3*
	----------	***Rupees***	------------
Assets measured at fair value			
Operating fixed assets - Office premises	-	**19,642,624**	-
Long term investment - available for sale	**31,658,322**	-	-
Short term investments - held for trading	**6,068,634**	-	-
	37,726,956	**19,642,624**	-

29 RELATED PARTY TRANSACTIONS

Related parties comprise of directors and key management personnel. Year end balances of related parties are disclosed in the relevant notes to these financial statements. Details of remuneration and perquisites paid to Chief Executive and Directors during the year are disclosed in Note-28. Transactions with related parties are as follows:

	2018	*2017*
	Rupees	*Rupees*
Names of related party / Nature of transactions		
Chief executive and Directors		
Sales of shares on behalf of Chief Executive	**20,574,963**	26,221,708
Sales of shares on behalf of Directors	**14,020,209**	18,404,944
Purchases of shares on behalf of Chief Executive	**20,111,297**	15,943,236
Purchases of shares on behalf of Directors	**15,166,829**	18,931,659
Commission earned from brokerage transactions with Chief Executive	**39,211**	64,751
Commission earned from brokerage transactions with Directors	**36,737**	66,596
Loan repaid by Director	-	1,862,848
Loan paid to Director	**7,053,056**	-

30 GENERAL

30.1 Figures have been rounded off to the nearest Rupee.

30.2 Number of employees as on June 30, 2018 and average number of employees during the year were 40 (2017: 34) and 38 (2017: 35) respectively.

31 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 14 SEP 2018 by the Board of Directors of the Company.

Chief Executive

Director