



Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

AUDITED FINANCIAL STATEMENTS
OF
INTERMARKET SECURITIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2017

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Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400 PAKISTAN.
Tel No. (021) 34549345-9
E-Mail: info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **INTERMARKET SECURITIES LIMITED** (herein after referred as 'the Company') as at **June 30, 2017**, and the related profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended 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 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 requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these 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 the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said 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 accounts have been kept by the company as required by the 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 Companies Ordinance, 1984, and are in agreement with the books of accounts 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 & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the 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, total comprehensive loss, changes in equity and its cash flows for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980, (XVII of 1980).

Karachi.

Date: **03 OCT 2017**

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Engagement Partner: Muhammad Rafiq Dosani

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INTERMARKET SECURITIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

		June 30,2017	June 30,2016
	Note	Rupees	
NON CURRENT ASSETS			
Property and equipment	4	53,400,864	40,689,561
Intangible assets	5	16,859,012	23,428,578
Long term investments	6	77,163,833	46,530,250
Long term deposits	7	38,438,253	9,699,082
CURRENT ASSETS			
Short term Investment- at FVTPNL	8	177,909,467	105,904,776
Short term Investment- at FVTOCI	9	2,889,805	226,148,312
Trade debts	10	1,142,150,917	663,585,272
Advances, deposits, prepayments and other receivables	11	200,009,893	74,340,900
Taxation - net	12	86,378,162	36,093,907
Short term loans	13	61,456,012	51,000,000
Derivative		-	533,400
Cash and bank balances	14	196,193,665	86,415,404
		1,866,987,921	1,244,021,971
		<u>2,052,849,883</u>	<u>1,364,369,442</u>
CAPITAL AND LIABILITIES			
100,000,000 (2016: 100,000,000) ordinary shares of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed & paid-up capital	15	200,559,560	200,559,560
Unappropriated Profit/(Loss)		631,442,581	340,483,823
Surplus/(deficit) in Remeasurement of Investments		25,725,929	83,647,416
		857,728,070	624,690,799
NON CURRENT LIABILITIES			
Directors' loan	16	366,944,842	23,779,557
Long term finance	17	12,751,290	10,818,429
Deferred taxation	18	49,756,537	16,370,111
CURRENT LIABILITIES			
Short term borrowings - secured	19	427,181,632	597,406,277
Trade and other payables	20	231,485,753	81,208,121
Director's loan	21	93,534,480	-
Current maturity of long term finance	17	4,211,224	2,754,836
Accrued markup		9,256,055	7,341,312
		765,669,144	688,710,546
Contingencies and commitment	22	-	-
		<u>2,052,849,883</u>	<u>1,364,369,442</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

INTERMARKET SECURITIES LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

		2017	2016
	Note	Rupees	
Operating revenue	23	332,486,835	164,568,717
Gain on derivative		-	533,400
Capital gain on sale of investment - net		9,853,302	128,612,759
Gain / (loss) on remeasurement of investments at fair value through profit and loss		(14,245,324)	(94,447,658)
		<u>328,094,813</u>	<u>199,267,218</u>
OPERATING EXPENSES			
Administrative expenses	24	(293,533,091)	(161,161,826)
Finance costs	25	(62,615,971)	(31,425,501)
		(356,149,062)	(192,587,327)
Other Income	26	2,157,028	960,001
Workers' Welfare Fund		-	(3,239,188)
Profit before taxation		<u>(25,897,221)</u>	<u>4,400,704</u>
Taxation	27	(1,485,743)	9,561,635
Profit after taxation		<u>(27,382,964)</u>	<u>13,962,339</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.




CHIEF EXECUTIVE


DIRECTOR

INTERMARKET SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
Note	Rupees	
Profit after taxation	(27,382,964)	13,962,339
Unrealise gain / (loss) on remeasurement of available for sales investments during the year	(57,921,487)	(73,423,162)
Total comprehensive income for the year	<u>(85,304,451)</u>	<u>(59,460,823)</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

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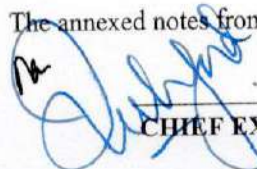

 CHIEF EXECUTIVE

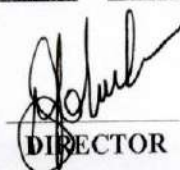

 DIRECTOR

INTERMARKET SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(25,897,221)	4,400,704
Adjustments for:		
Depreciation	11,051,762	9,969,595
Amortization	625,566	694,004
Loss / (gain) on revaluation of investments	14,245,324	94,447,658
Provision for WWF	-	3,239,188
Finance cost (excluding unwinding of director loan)	60,392,582	29,392,224
(Gain)/Loss on derivative	-	(533,400)
Remeasurement of director loan	(160,013,604)	-
Unwinding of director loan	2,223,389	2,033,277
	(71,474,981)	139,242,546
	(97,372,202)	143,643,250
Changes in working capital items		
<i>(Increase) / Decrease in Current assets</i>		
Trade debts	(478,565,645)	(438,774,641)
Advances, deposits, prepayments and other receivables	(125,668,993)	(50,800,869)
Short term loan	(10,456,012)	13,000,000
	(614,690,650)	(476,575,510)
<i>Increase / (Decrease) in Current liabilities</i>		
Trade and other payable	150,277,632	(79,841,830)
Operating Cash Flows	(561,785,220)	(556,417,340)
Finance cost paid	(58,477,839)	(26,711,681)
Tax paid	(61,598,734)	(34,185,721)
Net Cash used in operating activities	(681,861,793)	(617,314,742)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale / (purchase) of investments	403,978,067	257,555,428
Purchase of property and equipments	(9,143,741)	(6,623,310)
Long term deposit	(28,739,171)	(200,000)
Net cash (used in) / generated from investing activities	366,095,155	250,732,118
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained / (repaid) -net	3,389,249	(1,868,999)
Loan from director	594,489,980	-
Dividend paid	(2,109,685)	-
Net cash used in financing activities	595,769,544	(1,868,999)
Net cash flow during the year	280,002,906	(368,451,623)
Cash and cash equivalents at the beginning of the year	(510,990,873)	(142,539,250)
Cash and cash equivalents at the end of the year	(230,987,967)	(510,990,873)
Cash and cash equivalent at the end of the year comprises of the following:		
Cash and bank balances	196,193,665	86,415,404
Short term borrowings	(427,181,632)	(597,406,277)
	(230,987,967)	(510,990,873)

The annexed notes from 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

INTERMARKET SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Unappropriated Profit/(Losses)	Surplus/(Deficit) in Revaluation of Investment- net of deferred tax	Total Equity
	Rupees			
Balance as at July 01, 2015	200,559,560	326,521,484	157,070,578	684,151,622
Profit after tax	-	13,962,339	-	13,962,339
Unrealise gain / (loss) on remeasurement of available for sales investments	-	-	(73,423,162)	(73,423,162)
Balance as at June 30, 2016	200,559,560	340,483,823	83,647,416	624,690,799
Profit after tax	-	(27,382,964)	-	(27,382,964)
Unrealise gain / (loss) on remeasurement of available for sale investments	-	-	(57,921,487)	(57,921,487)
Gain on disposal of investments at FVOCI	-	208,441,884	-	208,441,884
Remeasurement of director's loan to fair value -net of deferred tax	-	112,009,523	-	112,009,523
Dividend paid	-	(2,109,685)	-	(2,109,685)
Balance as at June 30, 2017	200,559,560	631,442,581	25,725,929	857,728,070

The annexed notes from 1 to 35 form an integral part of these financial statements.

for


CHIEF EXECUTIVE


DIRECTOR

INTERMARKET SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 STATUS AND ACTIVITIES

Intermarket Securities Limited was incorporated under Companies ordinance, 1984 on 6th September 2002 as a private limited company. In the year 2010 the status of the Company changed to public un-quoted Company. The Company is corporate member of Pakistan Stock Exchange Limited. The registered office of the company is Suite No. 309, Business & Finance Centre, I.I. Chundrigar Road, Karachi. The principal activity of the company is to carry on the business of share brokerage, underwriting, 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 Jun 30, 2017 shall prepare their financial statements in accordance with the provision 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 as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain short term investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is company's functional and presentation currency.

2.4 Use of estimates and judgments

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

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

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.

Information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates and assumptions with a significant risk of material adjustment in the future periods are included in following notes:



Useful lives and residual values of property and equipments (note 3.1)
Useful lives and impairment of intangible assets (note 3.2)
Classification and value of investments (note 3.4)
Provision against trade debts and other receivables (note 3.8)
Provision for taxation (note 3.14)

2.5 Initial application of new standards and amendments to approved accounting standards

2.5.1 Amendments to approved accounting standards effective during the year ended June 30, 2017:

During the year, certain new standards and amendments to existing standards became effective. However, they did not have material affect on these financial statements, except for adoption of IFRS - 09 'Finacial Instruments' as detailed below:

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs in advance of their effective dates. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting.

The Company reviewed and assessed its existing financial assets as at 1 July 2016 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding;
- the Company's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- financial assets that were measured at FVTPL under IAS 39 continue to be measured as such under IFRS 9.

2.5.2 Standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2017:

There are certain new standards and amendments to the approved accounting standards that will become effective for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipments

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

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Subsequent costs are included in the carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Disposal of an item of property and equipment is recognised when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Depreciation is charged to profit and loss account using reducing balance. Depreciation on additions is charged from the date asset is available for use, till the date of its disposal.

3.2 Intangible assets

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

-Trading Rights Entitlement (TRE) Certificate

This is stated at cost less impairment, if any. 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 estimated recoverable amount, it is written down to its estimated recoverable amount.

-Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognised as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognised as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized over a period of four years using the straight line method.

Amortization is charged from the quarter in which the related asset is available for use while no amortization is charged for the quarter in which such asset is disposed off.

3.3 Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised 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. Reversal of impairment loss is restricted to the original cost of the asset.

3.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets as under:



a) Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

b) Financial assets at fair value through other comprehensive income

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

c) Financial assets 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.

e) Derivative

Derivative on Delivery Future Contract is measured at fair value and gain/(loss) recognized in profit/loss. Derivate is accounted in the books when initial investment is nil or much smaller than would be required for other types of contracts, value changes in response to change in underlying variable (stock price) and is settled at future date.

3.5 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for financial assets at FVTOCI, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

3.6 Financial liabilities

Financial liabilities other than those at fair value through profit and loss are measured at amortised cost using the effective yield method.

3.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

3.8 Trade debts and other receivables

Trade debts and other receivables are recognised at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.



3.9 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.

3.10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.11 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.13 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.14 Taxation


The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

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



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

3.15 Provisions

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

3.16 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognizing of the financial assets and liabilities is taken to profit and loss account currently.

3.17 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognised on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognised as and when such services are provided.
- Income from bank deposits is recognised at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair
- Rental income from investment properties is recognised on accrual basis.

3.19 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred except where such costs are directly attributable to the acquisition or construction of qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.



	2015	2016	2017	2018	2019	2020	2021	2022
	Owned	Musharika						
As at June 30,2015								
Cost	3,529,014	4,283,813	3,010,030	6,617,562	7,578,993	10,234,440	9,215,000	44,468,852
Accumulated depreciation	(439,406)	(1,749,631)	(1,252,114)	(330,878)	(4,162,650)	(5,549,292)	(767,840)	(14,251,811)
Net Book Value	3,089,608	2,534,182	1,757,916	6,286,684	3,416,343	4,685,148	8,447,160	30,217,041
Year Ended June 30, 2016								
Opening net book value	3,089,608	2,534,182	1,757,916	6,286,684	3,416,343	4,685,148	8,447,160	30,217,041
Addition / transfer during the year	1,254,837	457,600	203,500	13,818,805	2,047,373	-	2,660,000	20,442,115
Depreciation for the year	(400,314)	(280,431)	(374,258)	(3,271,708)	(1,550,145)	(468,515)	(3,624,225)	(9,969,596)
Closing Net Book Value	3,944,131	2,711,351	1,587,158	16,833,781	3,913,571	4,216,633	7,482,935	40,689,560
As at June 30,2016								
Cost	4,783,851	4,741,413	3,213,530	20,436,367	9,626,366	10,234,440	11,875,000	64,910,967
Accumulated depreciation	(839,720)	(2,030,062)	(1,626,372)	(3,602,586)	(5,712,795)	(6,017,807)	(4,392,065)	(24,221,407)
Net Book Value	3,944,131	2,711,351	1,587,158	16,833,781	3,913,571	4,216,633	7,482,935	40,689,560
Year ended June 30,2017								
Opening net book value	3,944,131	2,711,351	1,587,158	16,833,781	3,913,571	4,216,633	7,482,935	40,689,560
Addition / transfer during the year	376,901	2,080,703	162,500	8,419,325	4,542,834	6,200,000	1,980,803	23,763,066
Depreciation for the year	(415,336)	(333,188)	(334,657)	(4,443,405)	(1,824,812)	(1,041,663)	(2,658,701)	(11,051,762)
Closing Net book value	3,905,696	4,458,866	1,415,001	20,809,701	6,631,593	9,374,970	6,805,037	53,400,864
As at June 30,2017								
Cost	5,160,752	6,822,116	3,376,030	28,855,692	14,169,200	16,434,440	13,855,803	88,674,033
Accumulated depreciation	(1,255,056)	(2,363,250)	(1,961,029)	(8,045,991)	(7,537,607)	(7,059,470)	(7,050,766)	(35,273,169)
Net Book Value	3,905,696	4,458,866	1,415,001	20,809,701	6,631,593	9,374,970	6,805,037	53,400,864
Depreciation rates	10%	10%	20%	20%	30%	10%	33%	

- 4.1 This represents expenditure incurred on the rental office at Bahria Building. The office space has been rented out for a period of 3 years to the Company. Expenditure amounting to Rs 2.66 million (2016:Rs 9.215 million) included Interior Finishing, piping works, flooring, electrical, data networking and illumination works. They have been capitalized since they meet recognition criteria of IAS 16..

5	INTANGIBLE ASSETS	Note	2017 Rupees	2016 Rupees
	<i>Membership card right and privileges</i>			
	-Dubai Gold Commodity Exchange Co.	5.1	10,333,996	10,333,996
	-Trading Rights Entitlement (TRE) Certificate	5.2	3,894,750	3,894,750
	-Offices at PSX		-	6,200,000
	-Computer software	5.3	2,630,266	2,999,832
			<u>16,859,012</u>	<u>23,428,578</u>

5.1 Dubai Gold Commodity Exchange Co.(DGCX)

This represents the membership card purchased from the funds of the Company but its in the name of director. An agreement was reached between the Company and Director under which economic benefits originating from the asset would only be attributable and are under control of the Company.

- 5.2 This represents cost of membership card of Stock Exchanges of Pakistan having indefinite useful life.

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5.3	Computer Software	2017	2016
		Rupees	
	<i>Net carrying amount</i>		
	Opening net book value	2,999,832	3,140,576
	Additions during the year	256,000	553,260
	Amortisation charge	(625,566)	(694,004)
	Closing net book value	<u>2,630,266</u>	<u>2,999,832</u>
	<i>Gross carrying amount</i>		
	Cost	4,604,510	4,348,510
	Accumulated amortisation	(1,974,244)	(1,348,678)
	Net book value	<u>2,630,266</u>	<u>2,999,832</u>
	<i>Amortisation rate</i>	20%	20%

6	LONG TERM INVESTMENTS	Note	2017	2016
			Rupees	
	<i>Quoted -FVTOCI</i>			
	Pakistan Stock Exchange Limited	6.1	41,163,833	10,530,250
	<i>Un-Quoted -At Amortised Cost</i>			
	National Asset Management Company	6.2	36,000,000	36,000,000
			<u>77,163,833</u>	<u>46,530,250</u>

- 6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX.

During the year the company has disposed off 60% shares of PSX as follows:

- 40% shares were sold to chinese consortium by PSX vide their letter dated December 29, 2016 at an offer price of Rs. 28 per ordinary share. However, as per the above mentioned letter 10% of the consideration amount is retained for a period of one year to settle any outstanding liabilities of PSX and will be remitted to the company after the expiry of the specified period.
- 20% shares were sold after successful completion of book building process.

Since these shares were listed on PSX in June 2017, therefore, the remaining 40% shares are carried at their market value as at June 30, 2017.

6.1.1	Movement of Unrealize gain on remeasurement	2017
		Rupees
	Book value as at June 30, 2017	4,215,767
	Market value as at June 30, 2017	<u>41,163,838</u>
	Unrealize gain for the year -OCI	<u>36,948,071</u>

- 6.2 This represents Shares of National Asset Management Company (NAMCO) which were acquired when the collateral relating to short term loan amounting to Rs 36 million was realized in the form of shares of this NBFC. Shares are in the name of Director and not in Company's name in accordance to NBFC Rules 2003. An agreement was made between director and the Company under which the proceeds from sale of investment including gain/(loss) would be rendered back to Company. Shares are blocked but arrangement would be made for conversion into marketable lot and disposal in accordance to NBFC Rules 2003 as soon as economic condition of the above NBFC improves.

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7	LONG TERM DEPOSITS	Note	2017	2016
			Rupees	
	Pakistan Stock Exchange Limited	7.1	650,000	550,000
	National Clearing Company of Pakistan Ltd.	7.2	800,000	300,000
	Central Depository Company of Pakistan		300,000	100,000
	Future trading deposits		500,000	500,000
	Advance for Plot & Offices	7.3	6,903,077	6,903,077
	Other deposits		26,451,071	661,900
	Rental Office Security Deposit	7.4	2,834,105	684,105
			<u>38,438,253</u>	<u>9,699,082</u>

7.1 Amount deposited as Basic deposit for exposure in Ready Market, Future DFC and Future trading in provisionally listed Company.

7.2 This represents amount deposited as Basic deposit to National Clearing Company under Margin trading System.

7.3 This includes Advance paid for purchase of plot in Hawkes Bay. Plot was purchased for recreational activity of employees. Title of the property will be transferred to the Company after outstanding principle is paid. The entity will capitalize when it has paid the remainder of principle and is thus able to exercise legal enforceable right.

7.4 Security Deposit was paid in advance upon signing of lease agreement with Bahria Foundation for lease of office space. The deposit was paid in advance upon signing of the lease agreement and will be payable to the Company 3 months after the vacation of the premises.

8	SHORT TERM INVESTMENTS - FVTPNL	Note	2017	2016
			Rupees	
	Investment in quoted equity securities	8.1	<u>177,909,467</u>	<u>105,904,776</u>
8.1	Unrealized gain on remeasurement of short term investments as of the reporting date			
	Market Value of shares of Investment		177,909,467	105,904,776
	Less: Cost of shares investment		<u>196,327,712</u>	<u>110,077,697</u>
			<u>(18,418,245)</u>	<u>(4,172,921)</u>

8.2 Fair value of of pledged securities indicating separately securities belonging to customers is as under:

	Number of securities	Amount (Rupees)
Client	22,976,079	1,546,910,369
Brokerage House	583,669	27,958,770
Total	<u>23,559,748</u>	<u>1,574,869,139</u>

9	SHORT TERM INVESTMENTS - FVTOCI	Note	2017	2016
			Rupees	
	Investment in quoted securities	9.1	<u>2,889,805</u>	<u>226,148,312</u>
9.1	Unrealized gain on remeasurement of short term investments as of the reporting date			
	Market Value of shares of Investment		2,889,805	226,148,312
	Less: Cost of shares investment		<u>2,162,851</u>	<u>130,551,800</u>
		9.2	<u>726,954</u>	<u>95,596,512</u>

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		2017	2016
		Rupees	
9.2	Movement in unrealized gain on remeasurement of available for sale investments		
	At the beginning of the year	95,596,512	179,509,194
	Net unrealized (loss) / gain in the value of investments for the year	(94,869,558)	(83,912,682)
		<u>726,954</u>	<u>95,596,512</u>

10 TRADE DEBTS

Considered good -Secured	10.1	<u>1,142,150,917</u>	<u>663,585,272</u>
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10.1 Aging analysis

Upto five days	126,481,731
More than five days	<u>1,015,669,186</u>
	<u>1,142,150,917</u>

10.2 Trade debts includes Rs. 375.08 million (2016: Rs. 384.26 million) due from related parties. The Company holds capital securities having fair value of Rs. 3,754 million (2016: Rs. 1,372 million) owned by its clients, as collaterals against trade debts.

10.3 This include receivable against Marginal financing amounting to Rs. 464.27 million (2016: Rs. NIL). The same is provided to client's on markup basis ranging from 10% to 12% (2016: NIL) per annum.

		2017	2016
		Rupees	
11	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	<i>Advances</i>		
	Advance to staff	23,084,797	6,929,032
	Advance against IPO	-	12,500,000
	<i>Deposits</i>		
	Exposure deposits	11.1 128,070,664	46,288,137
	Lease deposits	2,567,097	1,149,470
	<i>Prepayments</i>		
	Prepaid Rent	3,594,143	2,140,406
	<i>Other receivables</i>		
	Receivable against financial advisory services	3,761,316	1,425,000
	Due from Associates	11.2 42,016,711	12,415,865
	Others	5,781,260	359,085
	Worker's Welfare Fund payable	(8,866,095)	(8,866,095)
		<u>200,009,893</u>	<u>74,340,900</u>

11.1 This represents deposits held with PSX and NCCPL at the year end against exposure arising in respect of trading in ready and future market and exposure margin against trade and sustained losses to date on Margin Trading Services. These deposits carry profit at the rates ranging from 2.5% to 3% (2016: 3% to 3.85%).

		2017	2016
		Rupees	
11.2	Due from Associates		
	Intertechnologies (Private) Limited	40,531,517	11,046,858
	Intermarket express (Private) limited	1,485,194	1,369,007
		<u>42,016,711</u>	<u>12,415,865</u>

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11.2.1 Director of the company controls the above start up entities and advance has been provided after obtaining special resolution. This carry markup @ 8.38%, average borrowing cost of the company.

12	TAXATION - NET	2017	2016
		Rupees	
	Advance tax	102,481,560	40,882,826
	Provision for taxation	(16,103,398)	(4,788,919)
		<u>86,378,162</u>	<u>36,093,907</u>

13 SHORT TERM LOAN

This represents balance amount due from an ex-client on account of interest free loan amounting to Rs 100 million. Collaterals amounting to Rs 49 million were realized from cash margin and transfer of shares of National Asset Management Company Limited. Balance outstanding is secured against commercial plot in Peshawar.

14	CASH AND BANK BALANCES	Note	2017	2016
			Rupees	
	Cash at bank			
	- current account		195,321,682	86,276,054
	- saving account		871,983	139,350
		14.1	<u>196,193,665</u>	<u>86,415,404</u>

14.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 188.11 million (2016: Rs. 83.066 million).

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2017	2016		2017	2016
(Number of shares)			Rupees	
20,055,956	20,055,956	Ordinary shares of Rs.10/- each fully paid in cash	200,559,560	200,559,560
<u>20,055,956</u>	<u>20,055,956</u>		<u>200,559,560</u>	<u>200,559,560</u>

15.1 Pattern of shareholding

Categories of shareholders	2017		2016	
	Number of shares held	% of Shares held	Number of shares held	% of Shares held
Individuals				
Mr. Azeem Bilwani	18,050,360	90.00%	18,050,360	90.00%
Mr. Muhammad Jawed	2,005,595	10.00%	2,005,595	10.00%
Mr. Muhammad Hanif	1	0.00%	1	0.00%
	<u>20,055,956</u>	<u>100.00%</u>	<u>20,055,956</u>	<u>100.00%</u>

16	DIRECTOR'S LOAN	Note	2017	2016
			Rupees	
	Opening balance		23,779,557	21,746,280
	Add: Loan obtained during the year		500,955,500	-
	Less : Remeasurement to fair value		(160,013,604)	-
	Add: Unwinding of director loan during the year		2,223,389	2,033,277
	Closing Balance	16.1	<u>366,944,842</u>	<u>23,779,557</u>

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- 16.1 These represents the unsecured loan of Rs. 34 million and 500.95 million given by directors of the Company in FY-2013 and FY-2017 respectively. These loans had been measured to its present value using prevailing market rate of mark-up at 9.35% and 8% per annum respectively for a similar instrument, having similar terms and credit risk profile, at the time the loan was granted.

17	LONG TERM FINANCE	Note	2017 Rupees	2016
	Present value of Shirkat ul Melk cum Ijarah finance		16,962,514	13,573,265
	Less : Current portion		(4,211,224)	(2,754,836)
		17.1	<u>12,751,290</u>	<u>10,818,429</u>

- 17.1 The above represents Ijara finance lease in respect of motor vehicles from Dubai Islamic Bank under which 80% of the Purchase price was borne by Lessor and the remainder borne by the Company. The lessor would remain owner of 80% undivided share in asset until all fixed and variable rentals are paid and the Company exercise its unconditional and irrevocable right of purchasing the asset after the expiry of five Lease periods.

Monthly rentals consist of fixed and variable Rental. Outstanding fixed rentals represent original principle, i.e 80% of purchase cost of leased vehicles less aggregate of Principle repayment and Variable Rental is equal to 12 month KIBOR +1.75% calculated on Outstanding Fixed Rent on 360 days basis.

The above finance facility is secured by personal guarantee of all directors along with personal net worth settlement, postdated cheques for 6 months, 20% of equity participation and 80% ownership title of leased vehicles.

- 17.2 The amount of future rentals in respect of ijara finance and the period in which these rentals will become due are as follows:

	Minimum Ijara rentals	Ijara finance payments allocated to future period	Present Value of Ijara Finance	
			2017	2016
		Rupees		
Not later than one year	5,455,534	1,220,583	4,234,951	2,754,836
Later than one year but not later than five year	14,329,000	1,601,437	12,727,563	10,818,429
	<u>19,784,534</u>	<u>2,822,020</u>	<u>16,962,514</u>	<u>13,573,265</u>

18	DEFERRED TAXATION	Note	2017 Rupees	2016
	Deductable / (taxable) temporary difference arising			
	Accelerated tax depreciation / amortisation		7,095,788	5,920,506
	Unrealise gain /(loss) on remeasurement of investments		(2,653,694)	11,488,980
	Amortisation of Director Loan		50,403,197	3,168,337
	Long term finance (Ijara)		(5,088,754)	(4,207,712)
			<u>49,756,537</u>	<u>16,370,111</u>

19 SHORT TERM BORROWINGS - SECURED

NIB Bank Ltd	176,152,909	194,502,740
Summit Bank Ltd	180,058,015	264,304,312
JS Bank Ltd	70,970,708	138,599,225
	<u>427,181,632</u>	<u>597,406,277</u>



- 19.1 Short term running finance facilities are available from commercial banks, under mark-up arrangements, amounting to Rs. 1,200 million (2016: Rs. 1,200 million). These arrangements are secured against pledge of marketable securities with 30% to 40% markup and personal guarantee of directors. These running finance facilities carry mark-up ranging from 3 month KIBOR +2.0% to 2.5% (2016: 3 month KIBOR +2% to 2.5%) calculated on a daily product basis.

20	TRADE AND OTHER PAYABLES	2017	2016
		Rupees	
	Creditors	184,418,530	62,469,398
	Other Liabilities	47,067,223	18,738,723
		<u>231,485,753</u>	<u>81,208,121</u>

21 DIRECTOR'S LOAN

This represents director's loans that is interest-free and repayable on-demand

22 CONTINGENCIES AND COMMITMENTS

No material contingencies and commitments existing as at June 30, 2017.

23	OPERATING REVENUE	Note	2017	2016
			Rupees	
	Brokerage income	32	297,578,065	149,585,488
	Dividend income		2,108,103	7,714,694
	Underwriting & Financial Advisory Services		5,751,843	6,959,038
	IPO Commission		377,649	309,497
	MFS Income		26,671,175	-
			<u>332,486,835</u>	<u>164,568,717</u>

24 ADMINISTRATIVE EXPENSES

Salaries, commission, benefits and allowances		188,108,054	106,642,542
Director remuneration	29	4,618,000	6,468,000
PSX rent, electricity and service charges		354,570	813,960
CDC and NCCPL Charges.		29,031,675	5,551,297
Printing and stationery		1,053,933	894,470
Legal and Professional charges		15,048,931	6,750,561
Communication expenses		9,316,951	8,355,972
Audit Fees		500,000	400,000
Rent, rates and taxes		5,801,074	4,263,730
Entertainment expense		989,482	837,109
Utility expense		3,244,896	3,736,781
Repair and maintenance		442,970	511,842
Traveling and conveyance expenses		5,416,944	3,134,083
Postage and courier		134,671	111,384
Bad debts written off		10,066,619	-
Depreciation	4	11,051,762	9,969,595
Amortization	5	625,566	694,004
Vehicle maintenance expense		758,946	1,756,604
Branch expenses		603,286	-
Miscellaneous expense		6,264,761	269,892
		<u>293,433,091</u>	<u>161,161,826</u>

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25	FINANCE COST	Note	2017	2016
			Rupees	
	Mark up on short term borrowing & bank charges	19	59,113,334	26,534,453
	Mark up on long term finance	17	1,279,248	2,857,771
	Unwinding of Director loan	16	2,223,389	2,033,277
			<u>62,615,971</u>	<u>31,425,501</u>
26	OTHER INCOME			
	Interest income		<u>2,157,028</u>	<u>960,001</u>

26.1 This represents interest Income accrued on loan provided to associate (refer note 11.2)

27	TAXATION	Note	2017	2016
			Rupees	
	Current year		19,215,494	24,969,358
	Prior years		(3,112,096)	61,097
	Deferred		(14,617,655)	(34,592,090)
		27.1	<u>1,485,743</u>	<u>(9,561,635)</u>

27.1 The income tax assessments of the Company have been finalised up to and including the tax year 2016. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

28 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, key management personnel and directors and their close family members, major shareholders of the Company and staff provident fund. Transaction with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the chief executive, directors and executives is disclosed in note 29 to the financial statements. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

	2017	2016
	Rupees	
Associated undertakings		
<i>Transactions during the year</i>		
Loan / Advance to associates	29,600,846	12,415,865
Interest accrued on loan / advance to associate	2,157,028	960,001
<i>Balance outstanding</i>	45,133,740	13,375,866
	2017	2016
	Rupees	
Key Management personnel		
<i>Transactions during the year</i>		
Brokerage Commission earned	-	-
Loan obtained from director	594,489,980	-
Advance given to employees	16,155,765	3,154,532
<i>Balance outstanding</i>	(605,405,183)	(27,070,968)



29 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to Directors, Chief Executive and Executives of the Company, are as follows:

Particulars	Chief Executive		Director		Total	
	2017	2016	2017	2016	2017	2016
	Rupees					
Basic salary	2,947,800	2,080,800	690,000	1,800,000	3,637,800	3,880,800
House allowance	135,252	416,160	234,600	660,000	369,852	1,076,160
Utility allowance	90,168	781,872	156,400	540,000	246,568	1,321,872
Medical Allowance	294,780	189,168	69,000	-	363,780	189,168
	3,468,000	3,468,000	1,150,000	3,000,000	4,618,000	6,468,000

Number of persons	1	1	2	3	3	4
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- 29.1 The Company has also provided its Chief Executive, directors and certain executives with Company maintained car.

30 FINANCIAL INSTRUMENTS

30.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) 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. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery. Cash is held only with banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

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	2017	2016
	Rupees	
Long term deposits	38,438,253	8,789,977
Trade debts	1,142,150,917	277,577,602
Advances, Trade deposits and other receivables	200,009,893	31,627,743
Cash and bank balances	196,193,665	22,394,711
	<u>1,576,792,728</u>	<u>340,390,033</u>

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment except for already provided. None of the other financial assets are either past due or impaired. The aging of trade debts at the reporting date is disclosed in note 10.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	Carrying value	Contractual cash flows		
		Total	Up to one year	More than one year
		Rupees		
Directors' loan	460,479,322	-	-	-
Long term finance	16,962,514	-	-	-
Short term borrowings - secured	427,181,632	427,181,632	427,181,632	-
Trade and other payables	231,485,753	231,485,753	231,485,753	-
Accrued markup	9,256,055	9,256,055	9,256,055	-
June 30, 2017	<u>1,145,365,276</u>	<u>667,923,440</u>	<u>667,923,440</u>	<u>-</u>
Directors' loan	23,779,557	-	-	-
Long term finance	13,573,265	-	-	-
Short term borrowings - secured	597,406,277	(597,406,277)	(597,406,277)	-
Trade and other payables	81,208,121	(81,208,121)	(81,208,121)	-
Accrued markup	7,341,312	(7,341,312)	(7,341,312)	-
June 30, 2016	<u>723,308,532</u>	<u>(685,955,710)</u>	<u>(685,955,710)</u>	<u>-</u>

Contractual cash flows include tentative interest payments to be made up to the maturity of relevant facilities. The future interest related cash flows depend on the interest rates applicable at that time and the extent of utilization of running finance facilities.

(iii) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and price risk.

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(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions denominated in foreign currencies. Currently, the Company is not exposed to currency risk since there are no foreign currency transactions and balances at the reporting date.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

	2017	2016	2017	2016
	Effective interest rate (%)		Carrying amounts (Rupees.)	
Financial assets				
Bank deposits - <i>pls account</i>	3.5% to 4.5%	6% to 8%	871,983	139,350
Financial liabilities				
Short term borrowings	6% to 9%	8.5% to 10%	427,181,632	597,406,277
Ijara finance	6% to 9%	8.5% to 10%	16,962,514	13,573,265

As at balance sheet date, the Company does not hold any fixed rate interest based financial assets or liabilities carried at fair value.

A change of 100 basis points in interest rates at the reporting date would have increase / decrease profit / loss by 4.44 million (2016: 6.11 million). This analysis assumes that all other variables remain constant. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

(c) Price risk

Price risk includes equity price risk which is the risk of changes in the fair value of equity securities as a result of changes in levels of Pakistan Stock Exchange-Index and the value of individual shares.

The table below summarises the Company's equity price risk as at June 30, 2017 and shows the effect of a hypothetical 5% increase or decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenario.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss) before tax
June 30, 2017	<i>Rupees</i>	180,799,272	5% increase	189,839,236	9,039,964	7,683,969
June 30, 2016	<i>Rupees</i>	332,053,088	5% increase	348,655,742	16,602,654	14,112,256

30.2 Financial instruments by category

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

2017			
	At fair value 'through profit or loss'	At Amortised cost	At fair value 'through OCI'
	Rupees		
June 30, 2017			
Financial assets			
Long term investments	-	36,000,000	41,163,833
Long term deposits	-	38,438,253	-
Short term Investments	177,909,467	-	2,889,805
Trade debts	-	1,142,150,917	-
Advances, deposits and other receivables	-	196,415,750	-
Short term loan	-	61,456,012	-
Derivative .	-	-	-
Cash and bank balances	-	196,193,665	-
	177,909,467	1,670,654,597	44,053,638
Financial liabilities			
Directors' loan	-	460,479,322	-
Long term finance	-	12,751,290	-
Short term borrowings - secured	-	427,181,632	-
Trade and other payables	-	231,485,753	-
Current maturity of long term finance	-	4,211,224	-
Accrued markup	-	9,256,055	-
	-	1,145,365,276	-
2016			
	At fair value 'through profit or loss'	At Amortised cost	Available for sale
	Rupees		
June 30, 2016			
Financial assets			
Long term investments	-	36,000,000	10,530,250
Long term deposits	-	9,699,082	-
Short term Investments	105,904,776	-	226,148,312
Trade debts	-	663,585,272	-
Advances, deposits and other receivables	-	72,200,494	-
Short term loan	-	51,000,000	-
Derivative .	-	533,400	-
Cash and bank balances	-	86,415,404	-
	105,904,776	919,433,652	236,678,562
Financial liabilities			
Directors' loan	-	23,779,557	-
Long term finance	-	10,818,429	-
Short term borrowings - secured	-	597,406,277	-
Trade and other payables	-	81,208,121	-
Current maturity of long term finance	-	2,754,836	-
Accrued markup	-	7,341,312	-
	-	723,308,532	-

30.3 Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in 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 inputs).

The table below analyses equity instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

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	Level 1	Level 2	Level 3	Total
June 30, 2017				
			Rupees	
Financial assets	221,963,105	-	36,000,000	257,963,105
June 30, 2016				
			Rupees	
Financial assets	332,053,088	-	36,000,000	368,053,088

During the year ended June 30, 2017, the Company did not acquire any new shares of investee companies classified in level 3. However, 60% shares of PSX were disposed (refer note 6.1) and remaining 40% shares transferred from level 3 to level 1 after listing of PSX.

31 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements. Furthermore, the Company finance its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise the risk.

Net capital and Liquid capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

32 TURNOVER

Brokerage income Turnover during the period comprises of the following:

During the year ended June 30, 2017	Turnover in Value
Institution	122,167,027
Retail	175,428,537
Proprietary	-
Total	297,595,564

33 NUMBER OF EMPLOYEES

Number of persons employed by the Company as on the year end are 86 (2016: 58) and average number of employees during the year are 72 (2016: 52).

34 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue on 03 OCT 2017 by board of directors of the Company.

35 GENERAL

Figures have been rounded off to the nearest rupee and corresponding figures have been re-arranged, wherever necessary, for the purpose of better presentation.


CHIEF EXECUTIVE


DIRECTOR