


**FALKI CAPITAL (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	Note	<u>Dec-19</u> <u>RUPEES</u>
<b>SHARE CAPITAL AND RESERVES</b>		
SHARE CAPITAL		
Authorized Share Capital	5	<u>35,000,000</u>
Issued and paid-up & Subscribed Capital		35,000,000
Unappropriated Profit / (Loss)		(1,302,165)
		<u>33,697,835</u>
Gain on demutualization	6	20,346,030
<b>NON - CURRENT LIABILITIES</b>		
Loan from directors	7	700,000
Security Payable		269,600
<b>CURRENT LIABILITIES</b>		
Accrued expenses	8	89,248
Trade creditors & other payable	9	2,351,492
		2,440,739
		<u>57,454,204</u>
<b>ASSETS</b>		
<b>NON - CURRENT ASSETS</b>		
Tangible assets		
Property, plant & equipment	10	12,301,453
Intangible assets:		
TREC	6.1	2,500,000
Software		525,000
		3,025,000
Long term security deposit		1,570,000
<b>CURRENT ASSETS</b>		
Investment-available for sale due to demutualization		30,346,030
Advances and Deposits	12	3,850,000
Marketable Securities		568,920
Trade debtors	13	38,084
Income Tax Refundable		1,526,004
Cash and bank balance	14	4,228,713
		40,557,751
		<u>57,454,204</u>

  
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 DIRECTOR

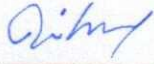


  
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 CHIEF EXECUTIVE

**FALKI CAPITAL (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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	Note	<u>Dec-19</u> <u>RUPEES</u>
Revenue	15	77,448
Less: Operational expenses	16	<u>(2,351,736)</u>
Operating profit / (loss)		(2,274,288)
Capital Gain / (Loss)	17	<u>1,770</u> <u>(2,272,518)</u>
Other income	18	<u>2,630,673</u>
Profit before taxation		358,155
Less: Taxation	19	<u>-</u>
Profit / (Loss) after taxation		<u><u>358,155</u></u>

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DIRECTOR

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CHIEF EXECUTIVE

**FALKI CAPITAL (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	<u>Dec-19</u> <u>RUPEES</u>
Profit / (Loss) after tax for the year	358,155
Total comprehensive income / (Loss) for the year	<u>358,155</u>

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



DIRECTOR



CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

10 PROPERTY PLANT & EQUIPMENT

PARTICULARS	C O S T		RATE %	D E P R E C I A T I O N			W.D.V AS ON 31-12-2019	
	AS ON July 01, 2019	ADDITION		AS ON December 31, 2019	AS ON July 01, 2019	FOR THE HALF YEAR		AS ON December 31, 2019
	RUPEES							
VEHICLES	41,000	-	10	36,047	495	36,543	4,456	
OFFICE EQUIPMENTS	1,194,691	-	5	548,520	32,309	580,828	613,863	
FURNITURE & FIXTURES	539,095	-	5	304,497	11,730	316,227	222,868	
OFFICE PEREMISES	16,400,000	-	2.5	4,645,881	293,853	4,939,734	11,460,266	
<b>RUPEES 2019</b>	<b>18,174,786</b>	<b>-</b>		<b>5,534,945</b>	<b>338,387</b>	<b>5,873,332</b>	<b>12,301,453</b>	
<b>RUPEES 2018</b>	<b>17,911,978</b>	<b>262,808</b>		<b>4,055,724</b>	<b>761,482</b>	<b>4,817,206</b>	<b>13,357,579</b>	

PARTICULARS	C O S T		RATE %	D E P R E C I A T I O N			W.D.V AS ON 30-06-2019	
	AS ON July 01, 2018	ADDITION		AS ON June 30, 2019	AS ON July 01, 2019	FOR THE YEAR		AS ON June 30, 2019
	RUPEES							
VEHICLES	41,000	-	20	34,809	1,238	36,047	4,952	
OFFICE EQUIPMENTS	1,194,691	-	10	476,723	71,797	548,520	646,171	
FURNITURE & FIXTURES	539,095	-	10	278,431	26,066	304,497	234,598	
OFFICE PEREMISES	16,400,000	-	5	4,027,243	618,638	4,645,881	11,754,119	
<b>RUPEES 2019</b>	<b>18,174,786</b>	<b>-</b>		<b>4,817,206</b>	<b>717,739</b>	<b>5,534,945</b>	<b>12,639,840</b>	
<b>RUPEES 2018</b>	<b>17,911,978</b>	<b>262,808</b>		<b>4,055,724</b>	<b>761,482</b>	<b>4,817,206</b>	<b>13,357,579</b>	

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**1 Corporate and general information**

**1.1 Legal status and operations**

The company was incorporated in Pakistan on June 8th 2006 as a private limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017).

The main business of the company is to assist, regulate or control the business of buying, selling securities, facilitating public securities and to initiate activities in relation to stock exchange and money market etc.

The geographical location and address of the Company's office is as under:

The registered office of the Company is situated at Flat 1, 1st floor plaza 61-d, Chaklala Scheme III, Commercial area Rawalpindi.

**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. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard for Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for the shares and TREC, which have been recorded at revalued amount

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.





**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**2.4 Key judgements and estimates**

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised 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 significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

**2.4.1 Property and equipment**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

**2.4.2 Provisions**

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

**2.4.3 Impairment**

The carrying amount of the Company's assets are reviewed regularly to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is charged to profit and loss account.

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**2.4.4 Income taxes**

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

The following amendments/improvements to approved accounting standards, effective for accounting periods beginning from the dates specified below and are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

- IFRS15 - Revenue from contracts with customer (effective for annual periods beginning on or after 01 July 2018).
- IFRS16 - Leases - (effective for annual periods beginning on or after 01 January 2019).
- IFRS 9 - Financial Instruments - (effective for annual periods beginning on or after 01 July 2018).

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

**4.1 Property, plant and equipment**

**Initial recognition**

All items of property, plant and equipment are initially recorded at cost.

**Subsequent measurement**

Items of property, plant and equipment other than land, buildings and capital work in progress are measured at cost less accumulated depreciation

**Depreciation**

Depreciation is charged so as to write off the cost or revalued amount of assets over their estimated useful lives, using the straight-line method.

**4.2 Provisions**

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**4.3 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities other than at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to profit or loss for the year. Any gain or loss on derecognition of financial assets and financial liabilities is included in profit or loss for the year.

**4.4 Impairment**

The carrying amount of the Company's assets are reviewed regularly to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is charged to profit and loss account.

**4.5 Revenue Recognition**

Revenue is recognized when services have been rendered.

**4.6 Non Current Assets**

**Owned assets**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is provided on reducing balance method over the estimated useful lives of the assets at rates specified in note 8 to the financial statements.

**4.7 Income taxes**

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**4.8 Trade and other payables**

Liabilities for bills 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 services received, whether or not billed to the Company.

**4.9 Related party transactions**

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

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*Arjun*



**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**4.10 Financial assets and liabilities**

Financial assets and financial liabilities are recognized when the Company becomes a party to contractual provisions of the instrument. These are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value and / or amortized cost respectively, whichever is applicable. The Company derecognizes financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments.

**4.11 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amount and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**4.12 Basic and Diluted earnings per share**

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders to the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Dec-19  
RUPEES

**5 Share Capital**

Authorized share capital comprises of 3,500,000 (2017: 3,500,000) Ordinary shares of Rs. 10 each

**Issued, subscribed and paid up capital**

2019	2018	Ordinary shares	
Numbers	Numbers		
3,500,000	3,500,000	Ordinary shares of Rs. 10 each paid in cash	35,000,000
			<u>35,000,000</u>

**6 Surplus / Gain on revaluation of shares /TREC on Demutualization and Corporatization of stock exchange**

Pursuant to the promulgation of the stock Exchange (Corporation, Demutualization and integration) Act, 2012 (The Act) the ownership in a stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and trading Right Entitlement (TRECs) in lieu of its membership card of ISE. The company's entitlement in respect of ISE's shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and company has been allotted 3,034,603 shares of the face value of Rs 10/- each, out of which 1,820,761 shares are kept in the blocked account and the divorcement of the same will be made in accordance with the requirement of the Act within two years from the date of demutualization.

In the absence of an active market of the shares of ISE and TREC, the company has taken the cost of the shares ( at issued price of Rs 10 each ) and TREC at 4.00 million which is the value approved by the Board of Directors of ISE and endorsed by the SECP. Consequently the company has recorded surplus of RS:21.846 million on conversion of membership card of ISE to shares and TREC in The equity as effect of Corporatization Demutualization Act, and this surplus on revaluation is approved by SECP.

Shares		30,346,030
Office premises		16,400,000
TREC	6.1	2,500,000
Software		40,000
		<u>49,286,030</u>
Other intangible assets		<u>(28,940,000)</u>
		<u>20,346,030</u>

- 6.1** Pakistan Stock Exchange has issued notice dated September 15, 2017 regarding the rationalizing of notional value of TRE certificate for the purpose of base minimum Capital to take the value of TREC at Rs. 2.5m.

*Aib*

*Abdul*

**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Dec-19</b>
	<b>RUPEES</b>
<b>7 Loan from directors</b>	
<p>This represents interest free and unsecured loan obtained from on of the director of the Company on June 29, 2018 to enhance the liquidity. The loan will be repaid after the period of two years therefore the fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of loan is not considered material and hence not recognized.</p>	
<b>8 ACCRUED EXPENSES</b>	
Utilities & Other	89,108
KARACHI STOCK EXCHANGE	140
	89,248
<b>9 TRADE CREDITORS &amp; OTHER PAYABLE</b>	
Payable to Clients	2,054,251
Sale Tax /FED Tax	45,165
Advance Rent	252,076
	-
	2,351,492
<b>12 Advances and Deposits</b>	
Ready Market Exposure Deposit	2,850,000
Future Market Exposure Deposit	1,000,000
	3,850,000
<b>13 TRADE DEBTORS</b>	
Trade Debtors	38,084
<b>14 CASH AND BANK BALANCE</b>	
Cash In Hand	208,566
Cash at Bank	## 4,020,147
	4,228,713
<b>14.1 Cash at Bank</b>	
Clients Account	2,186,045
House Account	1,834,102
	4,020,147

*Ahmed*

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Dec-19</u> <u>RUPEES</u>
<b>14.3 Assets Pledged with Financial Institutions</b>	
Own Assets	Nil
Customer Assets	Nil
<b>15 Revenue</b>	
Clients	76,648
Propriety	-
Institutions	800
	<u>77,448</u>
<b>16 OPERATING EXPENSES</b>	
Salaries & Wages	1,305,500
Membership fee / PSX & Others	65,300
Bank Charges	1,519
Telephone, Postage & Internet charges	114,718
Repair & Maintenance	11,120
Utility Bills	44,669
Trading Expenses	178,551
Prop trading Expenses	445
Printing & Stationary	800
Misc. Expenses	44,910
Depreciation	338,388
Rent Expenses	236,917
Legal & Presumptive	8,900
	<u>2,351,736</u>
<b>17 CAPITAL GAIN/ (LOSS)</b>	
Opening Stock	-
(Sale)/Purchase of share	567,150
	<u>567,150</u>
Less: Closing Stock	568,920
<b>CAPITAL GAIN</b>	<u>1,770</u>
<b>18 OTHER INCOME</b>	
Income from Dividends	728,065
Other Income	257,582
Recovery of bad Debts	22,034
Rental Income	1,622,992
	<u>2,630,673</u>

*Qibey*

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**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Dec-19**  
**RUPEES**

**21 BASIC EARNING/ (LOSS) PER SHARE**

<b>21.1</b>	Profit / (Loss) After Taxation (Rs)	358,155
	Number of Ordinary Shares Issu(No's)	35,000,000
	Earning Per Share	<u>0.01</u>

**21.2** There is no dilutive effect on the basic earning per share

**22 PATTERN OF EQUITY**

Fateh Khan Malik	34,990,000
Noor Jehan Malik	10,000
	<u>35,000,000</u>

**30 GENERAL**

Figures have been rounded off to Nearest Rupee.



**DIRECTOR**





**CHIEF EXECUTIVE**