



**Crowe Horwath**

**Horwath Hussain Chaudhury & Co.**  
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**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **FALKI CAPITAL (PRIVATE) LIMITED**, as at **June 30, 2015** the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity 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 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 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, the profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the 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, 2015 and of the loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d). in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

*Horwath Hussain Chaudhury & Co.*  
**HORWATH HUSSAIN CHAUDHURY & CO.**  
Chartered Accountants  
Shahzad Qazi (FCA).



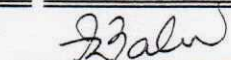
Date **28 OCT 2015**  
Islamabad

FALKI CAPITAL (PRIVATE) LIMITED  
BALANCE SHEET  
AS AT JUNE 30, 2015

	Note	2015 RUPEES	2014 RUPEES
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized:			
3,500,000 Ordinary shares of Rs. 10/- each		35,000,000	35,000,000
Issued and paid-up:			
3,150,000 Ordinary shares of Rs. 10/- each		31,500,000	31,500,000
Unappropriated Profit / (Loss)		(386,181)	(175,057)
		31,113,819	31,324,943
Gain on demutualization	3	21,846,030	21,846,030
<b>NON - CURRENT LIABILITIES</b>			
Loan from directors		2,667,000	2,667,000
<b>CURRENT LIABILITIES</b>			
Accrued expenses	4	778,565	1,377,486
Trade creditors & other payable	5	11,691,442	9,488,777
Provision for taxation		25,143	39,708
		12,495,150	10,905,971
		68,121,999	66,743,944
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Tangible assets			
Property, plant & equipment's	6	15,153,691	15,911,067
Intangible assets:			
TREC		4,000,000	4,000,000
Software		40,000	40,000
		4,040,000	4,040,000
Long term security deposit		500,000	500,000
<b>CURRENT ASSETS</b>			
Investment-available for sale due to demutualization		30,346,030	30,346,030
ISE margin deposit		1,500,000	1,500,000
Investment		721,607	507,456
Marketable Securities		743,517	-
Trade debtors	7	2,830,739	5,714,916
Advance income tax		13,279	9,425
Cash and bank balance	8	12,273,136	8,215,050
		48,428,307	46,292,877
		68,121,999	66,743,944


  
DIRECTOR



  
CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 RUPEES	2014 RUPEES
Revenue		2,594,752	3,970,792
Less: Operational expenses	9	(3,134,588)	(4,297,010)
Operating profit / (loss)		(539,836)	(326,218)
Capital Gain / (Loss)	10	(254,876) (284,960)	(82,711) (408,929)
Other income		99,784	31,600
Profit / (Loss) before taxation		(185,176)	(377,329)
Less: Taxation		(25,948)	(39,708)
Profit / (Loss) after taxation		(211,124)	(417,037)

  
 DIRECTOR



  
 CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2015

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	<u>2015</u>	<u>2014</u>
	<u>RUPEES</u>	<u>RUPEES</u>
Profit after tax for the year	(211,124)	(417,037)
Total comprehensive income for the year	<u>(211,124)</u>	<u>(417,037)</u>

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

  
\_\_\_\_\_  
DIRECTOR




  
\_\_\_\_\_  
CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	NOTE	2015 RUPEES	2014 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		(185,176)	(377,329)
<b>Adjustments for non cash items</b>			
Depreciation		841,506	881,662
Gain on demutualization			
Operating Profit/(Loss) before Working capital Changes		656,330	504,333
(Increase) / decrease in current assets			
Investment at fair value through profit & loss		(214,151)	318,800
Trade Debtors		2,884,177	(1,989,353)
Increase / (decrease) in current liabilities		2,670,026	(1,670,553)
Accrued Expenses		(598,921)	1,206,893
Trade Creditors & Other Payable		2,202,665	3,675,284
		1,603,744	4,882,177
Cash Generated from Operating activity		4,930,100	3,715,957
Income Tax paid		(44,367)	(2,296)
Net Cash Inflow / (Outflow) From Operating Activities		4,885,733	3,713,661
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(84,130)	(70,629)
Marketable Securities		(743,517)	-
Net Cash Inflow / (Outflow) From Investing Activities		(827,647)	(70,629)
Net cash inflow / (outflow) during the year		4,058,086	3,643,032
Cash and cash equivalent at the beginning of the year		8,215,050	4,572,018
<b>Cash and cash equivalent at the end of the year</b>		<b>12,273,136</b>	<b>8,215,050</b>

  
 \_\_\_\_\_  
 DIRECTOR



  
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 CHIEF EXECUTIVE

**FALKI CAPITAL (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2015**

Particulars	Share capital	EXCHANGE RESERVE		Total
		Accumulated Profit / (loss)	(Rupees)	
Balance as on June 30, 2013	31,500,000	241,980		31,741,980
(Loss) for the year	-	(417,037)		(417,037)
Balance as on June 30, 2014	31,500,000	(175,057)		31,324,943
(Loss) for the year	-	(211,124)		(211,124)
Balance as on June 30, 2015	31,500,000	(386,181)		31,113,819



*Director*  
DIRECTOR

*Chief Executive*  
CHIEF EXECUTIVE

**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**1 LEGAL STATUS AND OPERATION**

The company was incorporated in Pakistan on June 8<sup>th</sup> 2006 as a private limited company under the Companies Ordinance, 1984. The main objective is to carry out brokerage and related business activities.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium - Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 Accounting Convention**

These accounts have been prepared under the historical cost convention except for the shares and TREC, which have been recorded at revalued amount (note 6).

**2.3 Taxation**

Provision for taxation is based on taxable income at the current rates of taxation after taking into account tax credits if any.

**2.4 Property, Plant and Equipment**

- These are stated at cost less accumulated depreciation.
- Depreciation on operating assets is charged on reducing balance method without considering extra shifts worked.
- The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized.
- Maintenance and normal repair are charged to income as and when incurred.
- Gain or loss, if any on disposed off assets is included in the current income.

**2.5 Intangible**

Intangible assets consisting of software are written off over a period of five years while no amortization is provided in respect of ISE membership card.

**2.6 Revenue Recognition**

Revenue is recognized when services have been rendered.

**2.7 Cash and Cash Equivalent**

For the purpose of cash flow statement, cash and cash equivalent comprise of cash and bank balances.

**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	2015 RUPEES	2014 RUPEES
<b>3 Surplus / Gain on revaluation of shares /TREC on Demutualization and Corporatization of stock exchange</b>		
<p>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 it 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.</p> <p>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.</p>		
Shares	30,346,030	30,346,030
Office premises	16,400,000	16,400,000
TREC	4,000,000	4,000,000
Software	40,000	40,000
	<u>50,786,030</u>	<u>50,786,030</u>
Other intangible assets	(28,940,000)	(28,940,000)
	<u>21,846,030</u>	<u>21,846,030</u>
<b>4 ACCRUED EXPENSES</b>		
Audit Fee	75,000	75,000
Utilities & Other	703,565	1,302,486
	<u>778,565</u>	<u>1,377,486</u>
<b>5 TRADE CREDITORS &amp; OTHER PAYABLE</b>		
Payable to Clients	10,835,419	9,468,980
Sale Tax /FED Tax	6,653	-
Capital Gain Tax	19,851	-
Payable to Falki Investment Account	743,517	-
Payable due to rebate	86,002	11,149
Stamp Fee Payable	-	8,648
	<u>11,691,442</u>	<u>9,488,777</u>



**FALKI CAPITAL (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**6 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 30-06-2015
	AS ON July 01, 2014	ADDITION		AS ON July 01, 2014	FOR THE YEAR	AS ON June 30, 2015	
	RUPEES			RUPEES			
VEHICLES	41,000	-	20	25,886	3,023	28,909	12,090
OFFICE EQUIPMENTS	604,782	79,730	10	211,056	47,346	258,402	426,110
FURNITURE & FIXTURES	475,525	4,400	10	163,797	31,613	195,410	284,515
OFFICE PEREMISES	16,400,000	-	5	1,209,500	759,525	1,969,025	14,430,975
<b>RUPEES 2015</b>	<u>17,521,307</u>	<u>84,130</u>		<u>1,610,239</u>	<u>841,506</u>	<u>2,451,745</u>	<u>15,153,691</u>
<b>RUPEES 2014</b>	<u>17,450,678</u>	<u>70,629</u>		<u>728,576</u>	<u>881,662</u>	<u>1,610,239</u>	<u>15,911,067</u>

**FALKI CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2015</b>	<b>2014</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>7 TRADE DEBTORS</b>		
Trade Debtors	627,551	2,118,455
M.M Securities (pvt) Ltd.	111,958	113,790
TopLine Securities (Pvt) Ltd.	575,330	453,247
Invest capital	2,225	42,468
NCCPL (BTB) Clearing	94,285	2,403,440
Receivable KSE/Future/Error	29,641	-
Askari Security	20,902	79,396
Din Capital	1,368,847	504,120
	<b>2,830,739</b>	<b>5,714,916</b>
<b>8 CASH AND BANK BALANCE</b>		
Cash In Hand	223,338	213,554
Cash at Bank	12,049,798	8,001,496
	<b>12,273,136</b>	<b>8,215,050</b>
<b>9 OPERATING EXPENSES</b>		
Salaries & Wages	1,300,500	2,081,251
Membership fee / ISE & Others	27,075	26,000
Bank Charges	5,105	2,816
Telephone, Postage & Internet charges	119,800	99,366
Traveling	120,000	201,442
Repair & Maintenance	-	19,609
Utility Bills	268,498	235,396
SECP Charges	7,500	57,300
Audit Fee	75,000	75,000
Printing & Stationary	13,925	43,968
Misc. Expenses	97,189	129,416
CDC/NCCPL Charges	-	144,848
Depreciation	841,506	881,662
Property Tax	7,738	-
Legal & Presumptive	-	23,093
Financial Charges	212,026	253,365
Loss during Operation	38,726	22,478
	<b>3,134,588</b>	<b>4,297,010</b>

FALKI CAPITAL (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2015

	2015 RUPEES	2014 RUPEES
<b>10 CAPITAL GAIN/ (LOSS)</b>		
Opening Stock	507,456	826,257
(Sale)/Purchase of share	(40,725)	(236,090)
	466,731	590,167
Less: Closing Stock	721,607	507,456
	<u>254,876</u>	<u>(82,711)</u>
<b>11 BASIC EARNING/ (LOSS) PER SHARE</b>		
11.1 Profit / (Loss) After Taxation (Rs)	(211,124)	(417,037)
Number of Ordinary Shares Issued (No's)	3,150,000	3,150,000
Earning Per Share	<u>(0.07)</u>	<u>(0.13)</u>
11.2 There is no dilutive effect on the basic earning per share		

**12 DATE OF AUTHORIZATION FOR ISSUE**


These Financial statement were authorized for issue of on 28<sup>th</sup> OCTOBER <sup>2015</sup> by the Board of Director of the Company.

**13 GENERAL**

Figures have been rounded off to Nearest Rupee.

  
 DIRECTOR



  
 CHIEF EXECUTIVE