

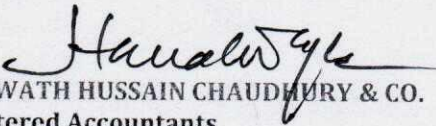
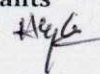
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **FALKI CAPITAL (PRIVATE) LIMITED**, as at **June 30, 2016** 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, 2016** 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.
Chartered Accountants
Shahzad Qazi (FCA). 



Date **29 SEP 2016**
Islamabad



FALKI CAPITAL (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

NOTE	2016 RUPEES	2015 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	22,351	(185,176)
Adjustments for non cash items		
Depreciation	824,954	841,506
Operating Profit/(Loss) before Working capital Changes	847,304	656,330
(Increase) / decrease in current assets		
ISE Margin Deposit	1,500,000	-
Investment at fair value through profit & loss	721,607	(214,151)
Trade Debtors	1,928,031	2,884,177
Increase / (decrease) in current liabilities	4,149,638	2,670,026
Accrued Expenses	(192,012)	(598,921)
Profit with held(DFC) Contract	73,990	-
Trade Creditors & Other Payable	9,598,131	2,202,665
	9,480,109	1,603,744
Cash Generated from Operating activity	14,477,051	4,930,100
Income Tax paid	(208,970)	(44,367)
Net Cash Inflow / (Outflow) From Operating Activities	14,268,081	4,885,733
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(299,241)	(84,130)
Other Intangible Assets	(515,000)	-
Long term security deposit	(100,000)	-
Ready Market Exposure Deposit	(2,000,000)	-
Future Market Exposure Deposit	(600,000)	-
PSX Future Market Exposure Deposit (Clients)	(650,000)	-
Future loss Deposit	(73,990)	-
Marketable Securities	508,417	(743,517)
Net Cash Inflow / (Outflow) From Investing Activities	(3,729,814)	(827,647)
Net cash inflow / (outflow) during the year	10,538,268	4,058,086
Cash and cash equivalent at the beginning of the year	12,273,136	8,215,050
Cash and cash equivalent at the end of the year	22,811,404	12,273,136

Shilp
DIRECTOR

Shilp



Shilp
CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND OPERATION

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

The registered office of the Company is situated at 710, ISE Tower, Jinnah Avenue, Islamabad.

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
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
SHARE CAPITAL AND RESERVES			
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)		(392,229)	(386,181)
		31,107,771	31,113,819
Gain on demutualization	3	21,846,030	21,846,030
NON - CURRENT LIABILITIES			
Loan from directors		2,667,000	2,667,000
CURRENT LIABILITIES			
Accrued expenses	4	586,553	778,565
Trade creditors & other payable	5	21,289,573	11,691,442
Profit with held(DFC) Contract		73,990	-
Provision for taxation		28,399	25,143
		21,978,515	12,495,150
		77,599,315	68,121,999
ASSETS			
NON - CURRENT ASSETS			
Tangible assets			
Property, plant & equipment's	6	14,627,977	15,153,691
Intangible assets:			
TREC		4,000,000	4,000,000
Software		555,000	40,000
		4,555,000	4,040,000
Long term security deposit		600,000	500,000
CURRENT ASSETS			
Investment-available for sale due to demutualization		30,346,030	30,346,030
ISE margin deposit		-	1,500,000
Ready Market Exposure Deposit		2,000,000	-
Future Market Exposure Deposit		600,000	-
PSX Future Market Exposure Deposit (Clients)		650,000	-
Future loss Deposit		73,990	-
Investment		-	721,607
Marketable Securities		235,100	743,517
Trade debtors	7	902,708	2,830,739
Advance income tax		197,106	13,279
Cash and bank balance	8	22,811,404	12,273,136
		57,816,338	48,428,307
		77,599,315	68,121,999

[Signature]
DIRECTOR

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CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
Revenue		2,839,919	2,594,752
Operational expenses	9	(3,485,994)	(3,134,588)
Operating (loss)		(646,075)	(539,836)
Capital (Loss)	10	(214,894) (431,181)	(254,876) (284,960)
Other income		453,532	99,784
Profit / (Loss) before taxation		22,351	(185,176)
Taxation		(28,399)	(25,948)
(Loss) after taxation		(6,048)	(211,124)

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DIRECTOR

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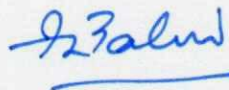
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CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

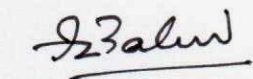
	<u>2016</u> <u>RUPEES</u>	<u>2015</u> <u>RUPEES</u>
(Loss) after tax for the year	(6,048)	(211,124)
Total comprehensive (Loss) for the year	<u>(6,048)</u>	<u>(211,124)</u>

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


DIRECTOR






CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Share capital	EXCHANGE RESERVE		Total
		Accumulated Profit / (loss)		
	(Rupees)			
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
(Loss) for the year	-	(6,048)		(6,048)
Balance as on June 30, 2016	31,500,000	(392,229)		31,107,771



Ashraf

Ashraf

DIRECTOR

Ashraf

CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u> <u>RUPEES</u>	<u>2015</u> <u>RUPEES</u>
7 TRADE DEBTORS		
Trade Debtors	880,529	627,551
M.M Securities (pvt) Ltd.	-	111,958
TopLine Securities (Pvt) Ltd.	7,247	575,330
Invest capital	-	2,225
NCCPL (BTB) Clearing	-	94,285
Receivable KSE/Future/Error	-	29,641
Askari Security	-	20,902
Din Capital	-	1,368,847
Other Receivable	14,932	-
	<u>902,708</u>	<u>2,830,739</u>
8 CASH AND BANK BALANCE		
Cash In Hand	234,858	223,338
Cash at Bank	22,576,546	12,049,798
	<u>22,811,404</u>	<u>12,273,136</u>
9 OPERATING EXPENSES		
Salaries & Wages	1,321,010	1,300,500
Membership fee / PSX & Others	9,150	27,075
Bank Charges	10,655	5,105
Telephone, Postage & Internet charges	139,523	119,800
Traveling	120,000	120,000
Repair & Maintenance	14,360	-
Utility Bills	367,300	268,498
SECP Charges	115,095	7,500
Audit Fee	75,000	75,000
Printing & Stationary	57,935	13,925
Misc. Expenses	101,084	97,189
CDC/NCCPL Charges	107,107	-
Depreciation	824,954	841,506
Property Tax	17,342	7,738
Legal & Presumptive	37,500	-
Financial Charges	153,352	212,026
Loss during Operation	14,629	38,726
	<u>3,485,994</u>	<u>3,134,588</u>



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FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u> <u>RUPEES</u>	<u>2015</u> <u>RUPEES</u>
10 CAPITAL GAIN/ (LOSS)		
Opening Stock	721,607	507,456
(Sale)/Purchase of share	<u>(701,401)</u>	<u>(40,725)</u>
	20,206	466,731
Less: Closing Stock	235,100	721,607
	<u>214,894</u>	<u>254,876</u>
11 BASIC EARNING/ (LOSS) PER SHARE		
11.1 Profit / (Loss) After Taxation (Rs)	(6,048)	(211,124)
Number of Ordinary Shares Issued (No's)	3,150,000	3,150,000
Earning Per Share	<u>(0.00)</u>	<u>(0.07)</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 Nov 16 by the Board of Director of Company.

13 GENERAL

Figures have been rounded off to Nearest Rupee.

Qibz
DIRECTOR

Qibz



Qibz

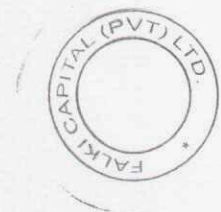
CHIEF EXECUTIVE

FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

6 PROPERTY PLANT & EQUIPMENT

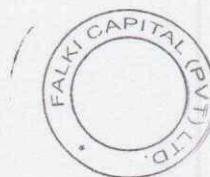
PARTICULARS	C O S T		RATE %	D E P R E C I A T I O N			W.D.V AS ON 30-06-2016
	AS ON July 01, 2015	ADDITION		AS ON July 01, 2015	FOR THE YEAR	AS ON June 30, 2016	
	RUPEES			RUPEES			
VEHICLES	41,000	-	20	28,909	2,418	31,327	9,672
OFFICE EQUIPMENTS	684,512	299,241	10	258,402	72,535	330,937	652,816
FURNITURE & FIXTURES	479,925		10	195,410	28,452	223,862	256,064
OFFICE PEREMISES	16,400,000	-	5	1,969,025	721,549	2,690,574	13,709,426
RUPEES 2016	17,605,437	299,241		2,451,746	824,954	3,276,700	14,627,977
RUPEES 2015	17,521,307	84,130		1,610,239	841,506	2,451,745	15,153,691

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FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	2016 RUPEES	2015 RUPEES
3 Surplus / Gain on revaluation of shares /TREC on Demutualization and Corporatization of stock exchange		
<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	<u>(28,940,000)</u>	<u>(28,940,000)</u>
	<u>21,846,030</u>	<u>21,846,030</u>
4 ACCRUED EXPENSES		
Audit Fee	75,000	75,000
Utilities & Other	511,553	703,565
	<u>586,553</u>	<u>778,565</u>
5 TRADE CREDITORS & OTHER PAYABLE		
Payable to Clients	21,286,811	10,835,419
Sale Tax /FED Tax	-	6,653
Capital Gain Tax	-	19,851
Payable to Falki Investment Account	-	743,517
Payable due to rebate	2,762	86,002
	<u>21,289,573</u>	<u>11,691,442</u>



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