



Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
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Other Offices at
Lahore - Islamabad / Rawalpindi

August 30, 2017

The Board of Directors
Arif Habib 1857 (Private) Limited
Arif Habib Centre, 23-M.T Khan Road
Karachi.

Dear Sirs/Madams:

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

We have completed our fieldwork for the audit of the Arif Habib 1857 (Private) Limited (the Company) for the year ended June 30, 2017 and are pleased to enclose the draft financial statements prepared by management, which have been initialled by us for identification purpose, together with our draft audit report thereon. We shall be pleased to sign our report in the present or amended form after:

- (a) The captioned financial statements have been approved by the Board and signed by the Chief Executive and one of the Directors authorized in this behalf;
- (b) We have seen Board's specific approvals for the following:

Rupees

Long Term Deposits at the year end 16,507,500/-
Specific approval on all the transactions with related parties as disclosed in financial statements.

- (c) We have received a representation letter signed by the Chief Executive and Chief Financial Officer in respect of the captioned financial statements;

2. RESPONSIBILITIES OF THE AUDITORS AND THE BOARD IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in International Standard on Auditing - 200. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of financial statements is primarily that of the Company's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We would like to place on record our appreciation of the co-operation and courtesy extended to us by the management and concerned staff during the course of our audit.

Yours truly,


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants



Rahman Sarfaraz Rahim Iqbal Rafiq

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Arif Habib 1857 (Private) Limited ("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 loss, 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 (XVIII of 1980).

Karachi.

Date: 13 SEP 2017



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Engagement Partner: Muhammad Rafiq Dosani

ARIF HABIB 1857 (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

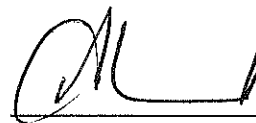
	Note	2017 Rupees	2016
EQUITY AND LIABILITIES			
Authorized Capital			
10,000,000/- (2016: 10,000,000) Ordinary Shares of Rs.10/ each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up capital			
5,000,000 (2016: 5,000,000) Ordinary shares of Rs.10/ each fully paid in cash		<u>50,000,000</u>	<u>50,000,000</u>
Unappropriated Profit		<u>(1,206,839)</u>	<u>(875,556)</u>
		48,793,161	49,124,444
CURRENT LIABILITIES			
Trade and other payables	4	120,000	95,064
Total equity and liabilities		<u>48,913,161</u>	<u>49,219,508</u>
Contingencies and commitments	5		
ASSETS			
NON CURRENT ASSETS			
Intangible assets	6	9,500,000	9,500,000
Long term deposits	7	<u>16,507,500</u>	<u>16,507,500</u>
		26,007,500	26,007,500
CURRENT ASSETS			
Other receivable		<u>7,865,750</u>	<u>7,865,750</u>
Taxation-net		2,871	2,871
Cash and bank balances	8	<u>15,037,040</u>	<u>15,343,387</u>
		22,905,661	23,212,008
Total assets		<u>48,913,161</u>	<u>49,219,508</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

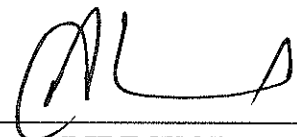
ARIF HABIB 1857 (PRIVATE) LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016
Commission income		2,605	5,383
Administrative expenses	9	(333,578)	(167,472)
Financial charges		-	(2,350)
		(333,578)	(169,822)
Loss before taxation		(330,973)	(164,439)
Taxation			
Current		(310)	(2,517)
Loss after taxation.		(331,283)	(166,956)

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

**ARIF HABIB 1857 (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	<u>———— Rupees ————</u>	
Loss after taxation	(331,283)	(166,956)
Other comprehensive income	-	-
Total comprehensive Loss for the year	<u><u>(331,283)</u></u>	<u><u>(166,956)</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

**ARIF HABIB 1857 (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

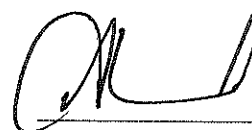
	<u>Share capital (Rupees)</u>	<u>Unappropriated Loss (Rupees)</u>	<u>Total (Rupees)</u>
Balance as at July 1, 2015	50,000,000	(708,600)	49,291,400
Loss for the year	-	(166,956)	(166,956)
Balance as at June 30, 2016	<u>50,000,000</u>	<u>(875,556)</u>	<u>49,124,444</u>
Balance as at July 1, 2016	50,000,000	(875,556)	49,124,444
Loss for the year	-	(331,283)	(331,283)
Balance as at June 30, 2017	<u>50,000,000</u>	<u>(1,206,839)</u>	<u>48,793,161</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

ARIF HABIB 1857 (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	————— Rupees —————	
Cash flows from operating activities		
Loss before taxation	(330,973)	(164,439)
Adjustments for :		
Financial charges	-	2,350
Operating loss before working capital changes	<u>(330,973)</u>	<u>(162,089)</u>
<i>Changes in working capital:</i>		
(Increase) in other receivables	-	(7,865,750)
Increase in trade and other payable	24,936	65,064
Cash used in operations	<u>(306,037)</u>	<u>(7,962,775)</u>
Financial charges paid	-	(2,350)
Income tax paid	(310)	(5,388)
Net cash used in operating activities	<u>(306,347)</u>	<u>(7,970,513)</u>
Cash flows from investing activities		
Long term deposit	-	(16,200,000)
Net cash used in investing activities	<u>-</u>	<u>(16,200,000)</u>
Cash flows from financing activities		
Issue of shares	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(306,347)	(24,170,513)
Cash and cash equivalents at beginning of the year	<u>15,343,387</u>	<u>39,513,900</u>
Cash and cash equivalents at end of the year	<u><u>15,037,040</u></u>	<u><u>15,343,387</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

ARIF HABIB 1857 (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

Arif Habib 1857 (Private) Limited was incorporated on 17 July 2014 as a private limited company in Pakistan under the Companies Ordinance, 1984. The registered office of the Company is located at Arif Habib Center, 23 M.T.Khan Road, Karachi, The principal activities of the company are investments and share brokerage. The company is a wholly owned subsidiary company of Arif Habib Limited. The company has purchased Trading Right Entitlement Certificate [TREC] from independent party. The principal activities include trading and brokerage for equities.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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 Standard Board as are notified by the Securities and Exchange Commission of Pakistan (SECP) under the provisions of the Ordinance as well as the provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directives of the Ordinance shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

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

Where major components of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

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 within 'Other operating expenses/income' in the profit and loss account.

Depreciation is charged to profit and loss account using reducing balance method. Depreciation on additions is charged from the day asset is available for use and on disposals up to the day preceding the day of 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.

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.

3.3 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'trade deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

b) Held to maturity financial assets

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

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c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in current assets as the management intends to dispose off the same within 12 months.

d) 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. Assets in this category are classified as current assets.

3.4 Impairment

3.4.1 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 available-for-sale financial assets, 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. Impairment testing of trade debts and other receivables is described in note 3.6.

3.4.2 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.

3.5 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.

3.6 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.

3.7 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.

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3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized 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 recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. 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.

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3.13 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.

3.14 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.

3.15 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 they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.

3.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset.

	2017	2016
	Rupees	
4 ACCRUED EXPENSES		
Audit fee payable	60,000	60,000
Others	60,000	35,064
	<u>120,000</u>	<u>95,064</u>

5 CONTINGENCIES AND COMMITMENTS

No contingencies and commitments exist at the reporting date (2016: Nil).



	2017	2016
	————— Rupees —————	
6 INTANGIBLE ASSETS		
Trading Rights Entitlement (TRE) Certificate	<u>9,500,000</u>	<u>9,500,000</u>

7 LONG TERM DEPOSITS

This amount is paid to Pakistan Stock Exchange Limited as deposit for trading activities.

	2017	2016
	————— Rupees —————	
8 CASH AND BANK BALANCES		
Cash at bank		
- Current account	<u>15,037,040</u>	<u>15,343,387</u>

9 ADMINISTRATIVE EXPENSES

Fees and subscription	273,578	107,472
Auditors' remuneration	<u>60,000</u>	<u>60,000</u>
	<u>333,578</u>	<u>167,472</u>

10 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over other party in making financial and operating decisions.

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the company and key management personnel and financial institution having nominee on the Board of Directors.

The Company had the following transactions with related parties:

	2017	2016
	————— Rupees —————	
<i>Balance as at year end</i>		
Receivable from associate	7,865,750	7,865,750

11 FINANCIAL RISK MANAGEMENT

11.1 Financial Risk Factors

The Company is exposed to a variety of financial risks (including interest rate risk and other price risk), credit rate risk and liquidity risk. The Company's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

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

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a) Market Risk

i) Currency risk

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

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Currently the Company is not exposed to price risk.

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Currently the company is not subject to interest rate risk.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, possibility of default by investors, and or failure of the financial markets, depositors, settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, proceed receivable and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

NA

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed hereunder as follows:

	2017	2016
	Rupees	
Long term deposits	16,507,500	16,507,500
Other receivable	7,865,750	7,865,750
Bank balances	15,037,040	15,343,387
	<u>39,410,290</u>	<u>39,716,637</u>

There are no any past due financial assets as at the reporting date.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Company had cash and bank balance of Rs. 15.03 million (2016: Rs. 15.34 million).

The Company had no interest bearing liabilities outstanding at the reporting date.

11.2 Fair value estimate

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Currently company does have any such investments.

11.3 Financial instruments by category

		2017			
		Assets at fair value through profit and loss	Loans and receivables	Cash and bank	Total
As at June 30, 2017					
Financial assets as per balance sheet					
Long term deposits			16,507,500	-	16,507,500
Other receivable		-	7,865,750	-	7,865,750
Cash and bank balances		-	-	15,037,040	15,037,040
		-	24,373,250	15,037,040	<u>39,410,290</u>
As at June 30, 2017					
Financial liabilities as per balance sheet					
Accrued expenses					<u>120,000</u>
					<u>120,000</u>
		2016			
		Assets at fair value through profit and loss	Loans and receivables	Cash and bank	Total
As at June 30, 2016					
Financial assets as per balance sheet					
Long term deposits			16,507,500	-	16,507,500
Other receivable			7,865,750		
Cash and bank balances		-		15,343,387	15,343,387
		-	24,373,250	15,343,387	<u>39,716,637</u>
As at June 30, 2016					
Financial liabilities as per balance sheet					
Accrued expenses					<u>95,064</u>
					<u>95,064</u>

12 CAPITAL RISK MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary share holders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

13 NUMBER OF EMPLOYEES

2017 **2016**

Total and average number of employees

Nil

Nil

14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on

13 SEP 2017.

15 GENERAL

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

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CHIEF EXECUTIVE



DIRECTOR