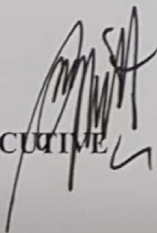


HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENT
AS AT JUNE 30, 2016

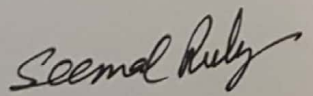
	Note	2016 Rupees	(Re-stated) 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4.1	1,286,370	1,517,781
Intangible asset	4.2	4,000,000	4,000,000
Long term deposits	5	600,000	550,000
Long term investment	6	30,346,030	30,346,030
		36,232,400	36,413,811
CURRENT ASSETS			
Account receivables	7	38,066,213	12,553,787
Short term investment	8	5,937	8,683,663
Advances, deposits & pre-payments	9	836,108	789,036
Cash and bank balances	10	1,079,532	12,586,735
		39,987,790	34,613,221
		76,220,190	71,027,032
EQUITY AND LIABILITIES			
Share Capital	11	16,200,000	10,000,000
Share deposit money		-	6,200,000
Un-appropriated Profit / (Loss)		22,874,989	33,953,818
		39,074,989	50,153,818
NON CURRENT LIABILITIES			
Deferred tax liabilities	12	-	56,577
Long term loan	13	31,545,736	-
		31,545,736	56,577
CURRENT LIABILITIES			
Account payables	14	5,533,510	12,498,927
Accrued and other liabilities	15	-	8,260,812
Provision for taxation	16	65,955	56,898
		5,599,465	20,816,637
CONTINGENCIES & COMMITMENTS			
	17	-	-
		76,220,190	71,027,032

The annexed notes form 1 to 27 an integral part of these financial statements.

CHIEF EXECUTIVE




DIRECTOR

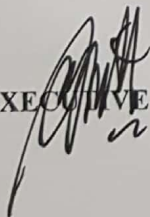


HANZA FARHAD SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Revenue			
Income from brokerage	18	6,595,530	5,689,798
Un-realized gain /(loss) on investment	8	(1,695,051)	-
Gross profit/ (loss)		<u>4,900,479</u>	<u>5,689,798</u>
Operating and administrative expenses			
Operating profit /(loss)	19	<u>(6,309,621)</u>	<u>(5,233,443)</u>
		(1,409,142)	456,355
Finance cost	20	(12,833)	(496,440)
Other income / (loss)	21	(9,647,475)	6,971,337
Profit / (Loss) before taxation		<u>(11,069,450)</u>	<u>6,931,252</u>
Taxation	16	(9,378)	(56,898)
Profit / (Loss) after taxation		<u><u>(11,078,828)</u></u>	<u><u>6,874,354</u></u>

The annexed notes form 1 to 27 an integral part of these financial statements.

CHIEF EXECUTIVE




DIRECTOR

Seemal Ruby

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 STATUS AND NATURE OF BUSINESS

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED was incorporated on April 27, 2011 as a private limited Company under the Companies Ordinance, 1984. The Company is mainly engaged in the business of share brokerage, portfolio management, investment advisory and consultancy services. The Company was a corporate member of Pakistan Stock Exchange Limited, it is also actively taking part in the Initial Public Offerings (IPO's), the Company become a corporate TREC Holder of Pakistan Stock Exchange Limited. The registered Office of the Company is situated at Stock Exchange Building, Islamabad.

2 Statement of compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, 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 the requirements of the Companies Ordinance, 1984, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the Rules, the Regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

3 Significant accounting policies

3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation on property and equipment is charged from the day of addition of asset and no depreciation is charged on the day on which asset is disposed off.

3.3 Intangible assets

These are stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

3.5 Loans and Receivables

These are non derivative financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are carries at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are de-recognized or impaired as well as through the amortization process.

3.6 Taxation

Current

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and no presumptive basis on Income subject to Final Taxation.

Deffered Taxation

The company accounts for deffered taxation, using the liability method on all temporary timing differences. However, deffered tax is no provided if it can be established with reasonable accuracy that these differences will not reserve in the foreseeable future.

3.7 Trade and settlement date accounting

All " regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.8 Securities under repurchase/reverse repurchase agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time and are accounted for as follows.

3.9 Revenue recognition

- a) Brokerage, advisory fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- e) Consultancy, advisory fee and service charges are recognized as and when earned.
- f) Unrealized capital gains/(losses) arising from marking 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 in the period in which they arise.

3.10 Return on financing and borrowings

Return on financing and borrowings is recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.11 Provisions

A provision is 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

3.13 Contingencies and Commitments

Capital commitments and Contingences, unless those are actual liabilities, are not incorporated in the accounts.

3.14 Changes in Accounting Estimates and Errors

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and corresponding figures have been restated. Due to these restatements, the restated Balance Sheets as at June 30, 2015, as required under International Accounting Standard 1 "Presentation of Financial Statements", have also been included.

4 Property and Equipments

4.1 Tangible

PARTICULARS

DEPRECIATION

COST

PARTICULARS	COST			DEPRECIATION			Book value		Depreciation rate %
	As at 1 July 2015	Additions during the year	Deletions during the year	As at 30 June 2016	As at 1 July 2015	For the year	Additions/ (Deletions)	As at 30 June 2016	
OWNED									
Computers	98,500	-	-	98,500	73,533	7,490	-	81,023	30
Furniture and fixture	48,919	-	-	48,919	20,765	4,223	-	24,988	15
Office equipments	400,448	-	-	400,448	162,037	35,762	-	197,799	15
Vehicles	1,308,000	-	-	1,308,000	81,750	183,938	-	265,688	15
	1,855,867	-	-	1,855,867	338,086	231,412	-	569,497	
	547,867	1,308,000	-	1,855,867	198,595	139,491	-	338,086	

4.2 Intangible Asset

Membership Card Value

2016	2015
Rupees	Rupees
4,000,000	4,000,000
4,000,000	4,000,000

Value of TRE Certificate of Pakistan Stock Exchange Limited is Rs. 4 million (TRE Certificate and 3,034,603 Shares of ISETRMCL Pledged to Pakistan Stock Exchange)

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED

5 LONG TERM DEPOSITS

CDC deposits
 NCSS deposits
 PSX clearing house deposit
 ISETRMC Exposure / Margin

Note	2016 Rupees	2015 Rupees
	100,000	100,000
	300,000	300,000
	200,000	100,000
	-	50,000
	<u>600,000</u>	<u>550,000</u>

6 LONG TERM INVESTMENT

Shares of ISETRMCL
 Price

	3,034,603	3,034,603
	10	10
6.1	<u>30,346,030</u>	<u>30,346,030</u>

6.1 These represent the shares received from Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) in pursuance of corporatization and demutualization of ISETRMCL as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from PSX.

6.2 Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISETRMCL. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's); general public and financial institutions.. As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.

6.3 No tax provision has been made on Gain on exchange of membership card with TREC, as such gain is exempted from tax under clause 110B of Second Schedule of Income Tax Ordinance , 2001.

7 ACCOUNT RECEIVABLES - UNSECURED

Account receivable - Considered good

	38,066,213	12,553,787
	<u>38,066,213</u>	<u>12,553,787</u>

8 SHORT TERM INVESTMENT

Cost of investment in listed securities
 Un-realized gain /(loss) on investment

	1,700,988	8,683,663
	(1,695,051)	-
8.1	<u>5,937</u>	<u>8,683,663</u>

8.1 TREET (No. of shares)

Rate

	100	-
	59.37	-
	<u>5,937</u>	<u>-</u>

9 ADVANCES, DEPOSITS & PREPAYMENTS

Advance income tax
 Advance WHT

	145,943	90,553
	690,165	698,483
	<u>836,108</u>	<u>789,036</u>

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED

Note	2016 Rupees	2015 Rupees
CASH AND BANK BALANCES		
Cash in hand		
Cash at banks	247,928	
In saving/ Profit Accounts		
In Current Accounts		
	-	-
	831,604	12,586,735
	831,604	12,586,735
	<u>1,079,532</u>	<u>12,586,735</u>
11 SHARE CAPITAL		
Authorized		
500,000 (2015: 500,000) Ordinary Shares of Rupees 100/- each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up		
162,000 (2015: 100,000) Ordinary Shares of Rupees 100/- each fully paid in cash	16,200,000	10,000,000
	<u>16,200,000</u>	<u>10,000,000</u>
12 DEFERRED TAX LIABILITIES		
Deferred tax liabilities		
		(Re-stated)
		56,577
	<u>-</u>	<u>56,577</u>
13 LONG TERM LOAN		
Loan from directors	13.1	
	31,545,736	-
	<u>31,545,736</u>	<u>-</u>
13.1	This unsecured and markup free loan has been obtained from directors of the company.	
14 ACCOUNT PAYABLES		
Account payables	5,533,510	12,498,927
	<u>5,533,510</u>	<u>12,498,927</u>
15 ACCRUED AND OTHER LIABILITIES		
Other Payables	-	8,193,805
Accrued expenses	-	67,007
	<u>-</u>	<u>8,260,812</u>

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED

Note	2016 Rupees	2015 Rupees
PROVISION FOR TAXATION		
Opening Balance		
Deferred tax Adjustment	321	-
Current year taxation	(56,577)	(56,577)
	65,955	56,898
Less:	9,699	321
Adjusted against advance tax / paid	(321)	-
	9,378	321

17 CONTINGENCIES AND COMMITMENTS

The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 3,034,603 ordinary shares of Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) with ISETRMCL in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.

18 INCOME FROM BROKERAGE

Commission income - Net	6,595,530	5,689,798
	6,595,530	5,689,798

19 OPERATING AND ADMINISTRATIVE EXPENSES

Staff salaries	2,221,914	1,851,815
Director Remunerations	625,000	120,800
Office Rent	200,000	200,000
Utilities	148,397	32,159
Communication and Internet	184,112	-
Commission paid	-	898,385
Entertainment	38,615	298,060
Printing and stationery	-	97,697
I.S.E Terminal Fee	-	30,000
CDC charges	-	95,956
NCCPL charges	252,602	101,573
Traveling and lodging	-	224,000
Postage and courier	4,381	33,716
Laga charges	1,747,221	593,395
Fee and subscription	305,616	50,950
Auditor's remuneration	19.1 60,000	-
Vehicle Registration Fee	-	27,984
Legal and professional charges	211,042	128,500
Repair and maintenance	56,200	93,910
Depreciation	4.1 231,412	139,491
Donations	20,000	60,000
Misc. expenses	3,109	155,052
	6,309,621	5,233,443

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED

Note	2016 Rupees	2015 Rupees
------	----------------	----------------

19 Auditor's remuneration

Audit fee
Out of pocket expenses

	60,000	-
	-	-
	<u>60,000</u>	<u>-</u>

20 FINANCE COST

Bank and other charges

	12,833	496,440
	<u>12,833</u>	<u>496,440</u>

21 OTHER INCOME / (LOSS)

Dividend income
Capital gain / (loss) on investment

	1,273,776	-
	(10,921,251)	6,971,337
	<u>(9,647,475)</u>	<u>6,971,337</u>

22 Taxation

This represent Current Taxation which has been provided Under Section 233A of Income Tax Ordinance, 2001 and Normal Taxation on other Income.

Deferred Taxation has not been provided as the Company is subject to Presumptive Taxation.

23 Remuneration of Chief Executive, Directors and Executives

Managerial Remuneration including House Rent & Utility

Chief Executive
Executives
Directors

	-	-
	-	-
	625,000	120,800
	<u>625,000</u>	<u>120,800</u>

Managerial remuneration has been paid to directors of the company during the year is Rs. 625,000. (2015: 120,800).

24 Accounting Estimates And Judgments

24.1 Property, plant and equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

24.2 Intangible assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

24.4 Trade debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

25 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 6 (2015: 5). Average number of employees was 6 (2015: 6)

26 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors on October 07, 2016.

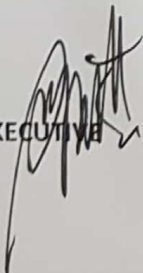
27 GENERAL

Figures have been rounded off to the nearest rupee.

Corresponding figures have been rearranged, wherever necessary for the purposes of comparison. However, no significant rearrangement / reclassification have been made in these financial statements.

The annexed notes form 1 to 27 an integral part of these financial statements.

CHIEF EXECUTIVE



Seemal Raut
DIRECTOR