



Crowe Horwath

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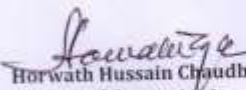
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **AHSAM SECURITIES (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 loss, 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 **07 OCT 2016**
Islamabad



ARHAM SECURITIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

7 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 June 30, 2016		AS ON July 01, 2015	FOR THE YEAR	AS ON June 30, 2016	
	RUPEES				RUPEES			
Land	8,046,334	-	8,046,334	-	-	-	8,046,334	
Office Premises	-	7,395,000	7,395,000	5	-	369,750	7,025,250	
Electric Installations	-	138,000	138,000	15	-	20,700	117,300	
Furniture & Fixture	-	497,000	497,000	10	-	49,700	447,300	
Office Equipments	-	27,350	27,350	10	-	2,735	24,615	
Computer & Printers	-	113,100	113,100	30	-	33,930	79,170	
2016	8,046,334	8,170,450	16,216,784		-	476,815	15,739,969	
2015	8,046,334	-	8,046,334		-	-	8,046,334	

ARHAM SECURITIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

7 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 June 30, 2016		AS ON July 01, 2015	FOR THE YEAR	AS ON June 30, 2016	
	RUPEES				RUPEES			
Land	8,046,334	-	8,046,334	-	-	-	8,046,334	
Office Premises	-	7,395,000	7,395,000	5	-	369,750	7,025,250	
Electric Installations	-	138,000	138,000	15	-	20,700	117,300	
Furniture & Fixture	-	497,000	497,000	10	-	49,700	447,300	
Office Equipments	-	27,350	27,350	10	-	2,735	24,615	
Computer & Printers	-	113,100	113,100	30	-	33,930	79,170	
2016	8,046,334	8,170,450	16,216,784		-	476,815	15,739,969	
2015	8,046,334	-	8,046,334		-	-	8,046,334	

AHSAM SECURITIES (PVT) LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
Revenue		-	-
Operational expenses	9	(662,771)	(209,636)
Operating (loss)		(662,771)	(209,636)
Other income		334,949	248,757
(Loss) before taxation		(327,822)	39,121
Taxation		-	(24,877)
(Loss) after taxation		(327,822)	14,244

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


CHIEF EXECUTIVE


DIRECTOR

AHSAM SECURITIES (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u> <u>RUPEES</u>	<u>2015</u> <u>RUPEES</u>
Profit / (Loss) after tax for the year	(327,822)	14,244
Total comprehensive income / (Loss) for the year	<u>(327,822)</u>	<u>14,244</u>

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


CHIEF EXECUTIVE



DIRECTOR

AHSAM SECURITIES (PVT) LTD
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
RESERVES & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized:			
1,000,000 Ordinary shares of Rs. 10/- each		10,000,000	10,000,000
Issued and paid-up:			
1,000,000 Ordinary shares (2015: 500,000) of Rs. 10/- each		10,000,000	5,000,000
Unappropriated (Loss)		(363,694)	(35,872)
		9,636,306	4,964,128
Gain on demutualization	4	34,346,030	34,346,030
NON - CURRENT LIABILITIES			
Loan from directors	5	8,112,234	8,112,234
CURRENT LIABILITIES			
Accrued expenses	6	85,000	50,000
Director Current Account		3,818,580	-
Provision for taxation		-	24,876
		3,903,580	74,876
		55,998,151	47,497,268
ASSETS			
TANGIBLE NON - CURRENT ASSETS			
Property, plant & equipment's	7	15,739,969	8,046,334
INTANGIBLE NON - CURRENT ASSETS			
TREC		5,000,000	4,000,000
Long term security deposit		405,000	405,000
CURRENT ASSETS			
Investment-available for sale due to demutualization		30,346,030	30,346,030
Marketable Securities		379,250	379,250
Advance Tax		112,715	24,876
Cash and bank balance	8	4,015,187	4,295,778
		34,853,182	35,045,934
		55,998,151	47,497,268

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


CHIEF EXECUTIVE


DIRECTOR

AHSAM SECURITIES (PVT) LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 STATUS AND NATURE OF BUSINESS

Ahsam Securites (Pvt) Ltd (the Company) is a Private Limited Company incorporated on September 24, 2012 under Companies Ordinance 1984.

The main business of the company is to assist, regulate or control the business of buying, selling securites, facilitating public securites and to initiate activites in relation to stock exchange and money market etc. Its registered office is situated at 27-A, Lane # 3, Gulistan Colony, Rawalpindi Cantt.

2 STATEMENT OF COMPLIANCE

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 Standards for Small-Sized Entities (SSEs) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Basis of preparation

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

3.2 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 6 to the financial statements.

3.3 Revenue recognition

revenue is recognized when services are rendered.

3.4 Cash and cash equivalents

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

AHSAM SECURITIES (PVT) LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	NOTE	2016 RUPEES	2015 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(327,822)	39,121
Adjustments for non cash items			
Depreciation		476,815	-
Operating Profit/(Loss) before Working capital Changes		148,993	39,121
<i>(Increase) / decrease in current assets</i>			
Marketable Securities		-	(379,250)
Investment-available for sale due to demutualization		-	(30,346,030)
		-	(30,725,280)
<i>Increase / (decrease) in current liabilities</i>			
Accrued Expenses		35,000	25,000
Trade Creditors & Other Payable		3,818,580	-
		3,853,580	25,000
Cash Generated from Operating activity		4,002,573	(30,661,159)
Income Tax paid		(112,715)	(24,877)
Net Cashflow From Operating Activities		3,889,858	(30,686,036)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(8,170,450)	-
Other Intangible Assets		(1,000,000)	(4,000,000)
Long term security deposit		-	(405,000)
Net Cashflow From Investing Activities		(9,170,450)	(4,405,000)
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Introduced		5,000,000	4,900,000
Surplus / Gain on revaluation of shares/TREC on Demutualization and Corporatizations of stock exchange		-	34,346,030
Loan from Directors		-	35,900
Net Cashflow From Financing Activities		5,000,000	39,281,930
NET CASHFLOW DURING THE YEAR		(280,592)	4,190,894
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		4,295,778	104,884
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		4,015,187	4,295,778


CHIEF EXECUTIVE


DIRECTOR

AHSAM SECURITIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	RUPEES	RUPEES
9 OPERATING EXPENSES		
Professional & Legal Expenses	141,741	176,000
Financial charges	9,215	8,636
Audit Fee	35,000	25,000
Depreciation	476,815	-
	<u>662,771</u>	<u>209,636</u>

10 BASIC EARNING/ (LOSS) PER SHARE

Profit / (Loss) After Taxation	(327,822)	14,244
Number of Ordinary Shares Issued	10,000,000	5,000,000
Earning Per Share	<u>(0.03)</u>	<u>0.00</u>

There is no dilutive effect on the basic earning per share

11 DATE OF AUTHORIZATION FOR ISSUE

These Financial statement were authorized for issue of on 07 OCT 2016 by the Board of Director of the Company.

12 GENERAL

Figures have been rounded off to Nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR

AHSAM SECURITIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

4 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 on August 26, 2014. 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 divestment 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 34.346 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.

	2016 RUPEES	2015 RUPEES
Shares	30,346,030	30,346,030
TREC	4,000,000	4,000,000
	34,346,030	34,346,030

5 LOAN FROM DIRECTORS

The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of loan from directors is not considered as no documentation and payment terms were provided.

6 ACCRUED EXPENSES

Audit Fee	85,000	50,000
	85,000	50,000

7 PROPERTY, PLANT AND EQUIPMENT

As per attached schedule	15,739,969	8,046,334
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8 CASH AND BANK BALANCE

Cash in hand	26,499	-
Soneri Bank Limited-A/C 2080104191	34,650	802
Soneri Bank Limited-A/C 1022115527	3,883,839	4,220,787
NIB Bank Limited-A/C 14532738	70,199	74,189
	4,015,187	4,295,778