

**M/S. KOSMOPOLITAN SECURITIES
(PRIVATE) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi.

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The Chairman and Board of Directors,
Kosmopolitan Securities (Private) Limited,
Karachi

September 09, 2017

Re: **FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017**

Dear Sir,

We are pleased to forward three copies of financial statements for the year ended June 30, 2017 together with our report thereon duly initialed by us for identification. We shall be pleased to sign our report after the accounts have been approved by the Board of Directors and signed by the Chief executive and at-least one of the Director.

The following items need Board's approval which, please be minuted.

(Rupees)

- | | |
|--|------------|
| • Approval of financial statements for the year ended June 30, 2017. | |
| • Remeasurement gain loss in shares of PSX | 25,134,303 |
| • Provision for Taxation | |
| - Current year | 2,596,285 |

We are also forwarding you the draft representation letter which should be typed on Company's letter head after changes as appropriate and be sent back to us duly signed by Chief Executive and chief financial officer.

We appreciate the courtesy and cooperation extended to us by the staff members of your Company during the course of our audit.

Thanking you,

Yours truly,



AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of M/s. **KOSMOPOLITAN SECURITIES (PVT) LIMITED**, as at June 30, 2017 and the related Profit & Loss Account, 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and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984.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 disclosure 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 repealed 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 repealed Companies Ordinance, 1984 and are in agreement with the books of account 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 and Profit & Loss Account, Cash flow statement and Statement of Changes in Equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the repealed 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 of the profit, 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 (XVIII of 1980)


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Engagement Partner: Mohammad Hanif Razzak

Karachi: the **04 OCT 2017**

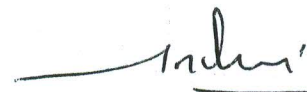
KOSMOPOLITAN SECURITIES (PVT.) LTD**BALANCE SHEET AS AT JUNE 30, 2017**

	NOTE No.	2017 Rupees	2016 Rupees
<u>CAPITAL & LIABILITIES</u>			
<u>AUTHORISED CAPITAL</u>			
1,500,000 Ordinary Shares of Rs. 100 each.		<u>150,000,000</u>	<u>150,000,000</u>
<u>ISSUED, SUBSCRIBED & PAIDUP CAPITAL</u>			
760,000 Ordinary Shares of Rs. 100 each allotted for consideration paid in Cash	4	<u>76,000,000</u>	<u>76,000,000</u>
Un-appropriated Profit / Accumulated (loss)		<u>36,884,364</u>	<u>(28,635,394)</u>
		<u>112,884,364</u>	<u>47,364,606</u>
<u>TRADE AND OTHER PAYABLES</u>			
Accrued expenses		<u>73,747</u>	<u>51,747</u>
Provision for taxation - net of payments		<u>2,541,134</u>	<u>-</u>
		<u>2,614,881</u>	<u>51,747</u>
Contingencies & Commitment	5	<u>-</u>	<u>-</u>
		<u>115,499,245</u>	<u>47,416,353</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Intangible Assets	6	<u>200,000</u>	<u>200,000</u>
Long Term Investments	7	<u>10,290,958</u>	<u>40,073,830</u>
Long Term deposits	8	<u>11,501,000</u>	<u>505,809</u>
		<u>21,991,958</u>	<u>40,779,639</u>
<u>CURRENT ASSETS</u>			
Receivable against Sale of Shares		<u>15,492,177</u>	<u>-</u>
Short term investments	7	<u>30,872,875</u>	<u>-</u>
Cash & Bank Balances	9	<u>47,142,235</u>	<u>6,636,714</u>
		<u>93,507,287</u>	<u>6,636,714</u>
		<u>115,499,245</u>	<u>47,416,353</u>

The annexed notes 1 to 17 form an integral part of this financial statements. U



Chief Executive



Director

KOSMOPOLITAN SECURITIES (PVT) LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
<u>Income:</u>		
Dividend Income on PSX shares	440,812	1,282,363
Capital Gain on transfer of PSX shares	34,324,034	-
	34,764,846	1,282,363
<u>Expenses:</u>		
Fee & Subscription	(274,967)	(311,872)
Impairment in TREC value	-	(14,800,000)
Shared cost of PSX IPO	(442,245)	-
Audit Fee	(21,600)	(15,000)
	(738,812)	(15,126,872)
Profit / (loss) before taxation	34,026,034	(13,844,509)
Provision for taxation	(2,596,285)	(160,295)
Net profit / (loss) after taxation	31,429,749	(14,004,804)
<u>Other Comprehensive income / (loss):</u>		
Reclassification on adjustment on disposal of available for sale investment included in profit and loss account	8,955,706	-
Re-measurement gain / (loss) in Shares of PSX	25,134,303	(14,926,170)
	34,090,009	(14,926,170)
Total Comprehensive income / (loss)	65,519,758	(28,930,974)
Earning per share - (Loss)	41.35	(18.43)

The annexed notes 1 to 17 form an integral part of this financial statements. U



Chief Executive



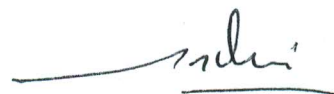
Director

KOSMOPOLITAN SECURITIES (PVT.) LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-----Rupees-----	
Cash flows From Operating activities		
Profit / (Loss) before taxation	34,026,034	(13,844,509)
Adjustment for non-cash items:		
Capital Gain on transfer of PSX shares	(34,324,034)	-
Impairment in TREC value	-	14,800,000
	(34,324,034)	14,800,000
	(298,000)	955,491
Changes in working capital		
(Increase) / Decrease in Current assets		
Receivable against Sale of Shares	(15,492,177)	-
	(15,492,177)	-
Increase /(Decrease) in Current liabilities		
Accrued expenses	22,000	5,642
Net Changes in working capital	(15,768,177)	961,133
Increase in long term deposits	(10,995,191)	-
Income taxes paid during the year	(55,151)	(160,295)
Cash flow from operations	(11,050,342)	(160,295)
Net Cash (used in) / generated from operating activities	(26,818,519)	800,838
Cash flows From Investing Activities		
Sale proceed from investment	67,324,040	-
Net Cash generated from investing activities	67,324,040	-
Net Cash (used in)/generated from Financing Activities	-	-
Net increase in cash and cash equivalents	40,505,521	800,838
Cash and cash equivalent at beginning	6,636,714	5,835,876
Cash and cash equivalent at end	47,142,235	6,636,714

The annexed notes 1 to 17 form an integral part of this financial statements. 


Chief Executive


Director

KOSMOPOLITAN SECURITIES (PVT) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, Subscribed and Paid up Capital	Accumulated Loss / Un- appropriated profit	Unrealized gain / (loss) on remeasurement of available for sale investment	Sub-Total	Total
-----Rupees-----					
Balance as at July 01, 2015	76,000,000	295,580	-	295,580	76,295,580
Total Comprehensive Income for the year	-	(14,004,804)	(14,926,170)	(28,930,974)	(28,930,974)
Balance as at June 30, 2016	76,000,000	(13,709,224)	(14,926,170)	(28,635,394)	47,364,606
Total Comprehensive Income for the year	-	31,429,749	34,090,009	65,519,758	65,519,758
Balance as at June 30, 2017	76,000,000	17,720,526	19,163,839	36,884,364	112,884,364

The annexed notes 1 to 17 form an integral part of this financial statements. *U*



Chief Executive



Director

KOSMOPOLITAN SECURITIES (PVT.) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 The Company and its operation

The company was incorporated under the Companies Ordinance, 1984 on May 24, 2007 as a Private Limited Company. The principal activity of the company is to carry on the business of shares brokerage underwriting investment of portfolio management. However no business activity has been carried out during the year. Its registered office is situated at MR-7/52-53, 574/1, Adamjee Dawood Road, Jodia Bazar, Karachi. In the preceding year, SECP has issued the brokerage license to Company. However no business activity has been carried out during the year.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise specifically stated.

2.2 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International and Financial Reporting Standards for Small and Medium sized entities (IFRS for SMEs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provision of and directive issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provision or directive of the repealed Companies Ordinance, 1984 shall prevail.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. The result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are 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.

Judgments made by management that have significant effect on the financial statements and estimates with significant probability of material adjustment in future are disclosed hereunder:

- (a) Impairment of financial assets (note 3.4); and
- (b) Classification of Investments.
- (c) Income Taxation.

2.5 Basis of preparation

These financial statements have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

2.6 Functional and presentation currency

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest rupee.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Intangible assets

a) Membership Card Rights & Privileges

Membership cards is stated at cost of acquisition less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of recoverable amount and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2 Investments - Available for sale

Available for sale investment are initially recognized at fair value plus attributable transactions costs. Subsequent to initial recognition these are measured at fair value, with any resultant gain or loss being recognized in other comprehensive income. Gains or losses on available for sale investments are recognized in other comprehensive income until the investments are sold or disposed off or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in other comprehensive income is included in current period's profit and loss account.

3.3 Impairment of assets

All Company's assets are reviewed at each financial year end to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated and carrying amounts are adjusted accordingly. Impairment losses are recognised in the profit and loss account.

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3.4 Trade and other payables

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

3.5 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, 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.

3.6 Income Taxation

Liability for current income tax is accounted for in accordance with income tax law. The income tax on profit and loss account represents current provision after adjustment, if any, to the provision for tax made in previous years, including those arising from assessments and amendments in assessments during the year, for such years.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks.

3.8 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

3.9 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2017	2016			
760,000	760,000	Ordinary Shares of Rs. 100 each issued for consideration paid in cash	76,000,000	76,000,000

Pattern of shareholding

Name of share holders	% of Holding	No of shares	
Mr.Muhammad Altaf Bilwani	55.13%	419,000	419,000
Mr. Saqib Haroon Bilwani	44.74%	340,000	340,000
Mr. Mustufa Bilwani	0.13%	1,000	1,000
	100%	760,000	760,000

5 CONTINGENCIES AND COMMITMENTS

There no contingencies & commitment at the balance sheet date.

2017 Rupees	2016 Rupees
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6 INTANGIBLE ASSETS

Membership Card Rights & Privileges

Pakistan Stock Exchange Limited TREC - Caring value

200,000 15,000,000

Less: Impairment loss

- (14,800,000)

6.1 & 7.1

200,000 200,000

- 6.1 In the preceding year, Pakistan Stock Exchange Limited has been demutualized and in terms whereof its members have been allowed in exchange of membership, "Trading Right Entitlement Certificate (TREC)" along with shareholding in Pakistan Stock Exchange Ltd. The Company has recorded the value of membership in the KSE at Rs.70 Million as Intangibles vide Pakistan Stock Exchange letter no: KSE/SECP-2013/1 who have indicated notional value whereof at Rs. 15 Million. The Company have however allocated the carrying value/cost to the TREC at Rs.15 Million and taken the balance to the value of Pakistan Stock Exchange Limited shares. Fair value of the TREC has been re-evaluated and impairment loss being difference of projected bid price of TREC and recorded value has been provided for.

7 LONG TERM INVESTMENTS

Available for Sale

1,602,953 (2016: 4,007,383) Shares of Rs. 10 each of

Pakistan Stock Exchange Limited - Cost

6.1 & 7.1

Re-measurement gain / (loss)

16,029,530 55,000,000

25,134,303 (14,926,170)

41,163,833 40,073,830

(30,872,875) -

Less: Investment classified as short term investment

10,290,958 40,073,830

- 7.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) Face value of shares allotted by Pakistan Stock Exchange Limited in lieu of membership of the PSX works out at Rs.40.07 Million, while the recorded value of the membership card as Intangible asset was Rs. 70 Million, however the company have recorded the remaining balance of Rs.55 million in shares and classified as available for sale and will follow the re-measurement method upon initiation of active market for these shares. In accordance with the demutualization policy 60% of allotted shares 2,404,430 have been kept in blocked account with the Central Depository Company of Pakistan Limited while 1,602,953 shares are certified to companies CDC account.

During the year, the Company has received sale proceed of Rs. 40.39 million against disposal of 1,602,953 shares representing 90% of sale proceed as initially agreed with Chinese Consortium through sale purchase agreement. the Company has also received sale proceed of Rs. 21 million against disposal of 801,477 shares representing 20% holding to general public.

Furthermore, PSX notified vide letter dated June 23, 2017 that SECP has approved the application for formal listing and quotation of shares of PSX pursuant to Stock Exchange (Corporatisation, Demutualisation and Integration) Act, 2012. The shares of PSX have been listed on June 29, 2017 on its ready counter, accordingly the company has recorded its remaining shares at a price of Rs. 25.68 being fair market value of such shares as of June 30, 2017. However CDC has kept these shares as frozen instead of blocked.

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Further as per section 5(2) of Public Offering Regulations, 2017, the Company is required to retain not less than 25% of the total paid up capital for a period of not less than three financial years from the last date for the public subscription. The investment to the extent of 25% of ordinary shares of PSX has been classified as long term investment while the remaining investment in such shares has been classified as short term investment.

2017 Rupees	2016 Rupees
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8 **LONG TERM DEPOSITS**

Deposit with Pakistan Stock Exchange Ltd - Base margin
 Deposit with NCCPL
 Deposit with CDC Pakistan Ltd
 Base Minimum Capital Requirement PSX

201,000	201,000
200,000	200,000
100,000	100,000
11,000,000	4,809
<u>11,501,000</u>	<u>505,809</u>

9 **CASH & BANK BALANCES**

- Cash-In-Hand
 - Cash-At-Bank in Current Account - House account

528,828	531,298
46,613,407	6,105,416
<u>47,142,235</u>	<u>6,636,714</u>

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10 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets and Liabilities of the company, interest and non interest bearing along with their maturities are as follows:

2017						
Markup / Interest Bearing			Non Markup / Interest Bearing			Total
Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS						
Long term investments			30,872,875	10,290,958	41,163,833	41,163,833
Long Term deposits	-	-	-	11,501,000	11,501,000	11,501,000
Receivable against Sale of Shares	-	-	15,492,177	-	15,492,177	15,492,177
Bank Balances	-	-	46,613,407	-	46,613,407	46,613,407
	-	-	92,978,459	21,791,958	114,770,417	114,770,417
FINANCIAL LIABILITIES						
Trade and other payables	-	-	73,747	-	73,747	73,747
	-	-	73,747	-	73,747	73,747

2016						
Markup / Interest Bearing			Non Markup / Interest Bearing			Total
Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS						
Long term investments	-	-	-	40,073,830	40,073,830	40,073,830
Long Term deposits	-	-	-	505,809	505,809	505,809
Bank Balances	-	-	6,105,416	-	6,105,416	6,105,416
	-	-	6,105,416	40,579,639	46,685,055	46,685,055
FINANCIAL LIABILITIES						
Trade and other payables	-	-	51,747	-	51,747	51,747
	-	-	51,747	-	51,747	51,747

The effective interest/markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements. While commission chargeable on off balance sheet items is chargeable as advised by the banks.

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11 FINANCIAL INSTRUMENTS

11.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's activities expose it to a certain financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

The Company's overall risk management programs focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) under policies approved by the board. The Board provides formal principles for overall risk management, as well as significant policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The information about the company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the company's management of capital, is as follows;

a) Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk interalia by limiting advances and credit to individual customers based on their credit worthiness, obtaining advance against exposure, obtaining collaterals where considered necessary and making appropriate provision for doubtful receivables.

Exposure to credit Risk

Company's credit risk is mainly attributable to Trade debts, balances with banks and financial institutions, and committed transactions. The maximum exposure of the company to credit risk is as follows:

	2017	2016
	Rupees	
Long Term deposits	11,501,000	505,809
Investments	41,163,833	40,073,830
Receivable against Sale of Shares	15,492,177	-
Bank Balances	46,613,407	6,105,416
	<u>114,770,417</u>	<u>46,685,055</u>

Trade Deposits

These are given to PSX/NCCPL which are prime regulator and enjoys sound creditability.

Bank balances

The company maintains balances with banks that have good and stable credit rating. Given these credit ratings, management does not expect that any counter party will fail to meet their obligations.

b) Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management forecasts liquidity risks on the basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: Foreign Exchange / Currency risk, interest rate risk and other price risk.

Foreign Currency risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arise mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange. The Company is not exposed to any foreign currency risk.

Interest / Markup rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest / mark-up rates. The exposure to interest rate risk is mainly arises in respect of variable markup / interest bearing long term and short borrowings from banks. The Company is not exposed to any markup/interest rate risk.

d) Other price risk

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

11.2 Fair value of Financial Assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

12 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finance its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. In order to maintain or adjust capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt. Consistent with others in industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of shareholders.

13 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

Currently no remuneration is being provided by the Company to its Chief Executive, any Director and Company Secretary and key management personnel.

14 NO OF EMPLOYESS

As on balance sheet date

2017

Nil

2016

Nil

The Company has not formulated employees retirement benefit policy as no employee has been hired.

15 DISCLOSURES UNDER SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATIONS, 2016

15.1 Investments

Value of shares held in CDC - PSX shares

41,163,833

-

Value of shares under pledge

-

-

15.2 Turnover, Trade debts and Customer assets

The Company has not yet commenced its operation, hence turnover, receivable from customers and customers assets are nil.

16 DATE OF AUTHORIZATION FOR ISSUE

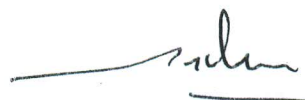
The financial statements were authorized for issue by the Board of Directors on 04 OCT 2017.

17 GENERAL

17.1 Figures have been rounded off to the nearest rupee.



Chief Executive



Director