

M. A. CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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**AUDITORS' REPORT
TO MEMBERS**

We have audited the annexed balance sheet of "128 SECURITIES (PVT) LIMITED" as at 30 June, 2014 and the related profit and 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.

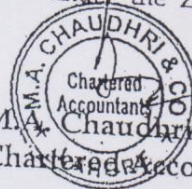
It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies' Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with 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 include 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, cash flow statement and statement of changes in equity together with the notes thereon have been drawn up in conformity with the 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 purposes 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;
- In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit and Loss Account, 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 30 June, 2014 and of the LOSS its cash flows for the year then ended; and
- d) In our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

Dated: - 26 Sep 2014
Lahore.

E-mail: karamatali@nexlinx.net.pk, karamatalichaudhri@gmail.com



128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 30 JUNE, 2014

	NOTE	2014 RS.	2013 RS.
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital			
1,000,000 ordinary shares of Rs.100/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	4		
638,740 ordinary shares of Rs.100/- each		63,874,000	63,874,000
Reserves			
Accumulated loss		(7,907,367)	(7,642,274)
TOTAL EQUITY		55,966,633	56,231,726
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	28,153,755	30,536,386
TOTAL LIABILITIES		28,153,755	30,536,386
CONTINGENCIES AND COMMITMENTS	6	28,153,755	30,536,386
TOTAL EQUITY AND LIABILITIES		84,120,388	86,768,112
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	1,399,443	1,653,367
Room and TREC - intangible	8	13,200,000	13,200,000
Investments	9	23,800,000	23,800,000
Long term deposits	10	962,285	962,285
		39,361,728	39,615,652
CURRENT ASSETS			
Trade debts	11	41,851,141	42,352,488
Advances and other receivables	12	414,295	476,753
Cash and bank balances	13	2,493,224	4,323,219
		44,758,660	47,152,460
TOTAL ASSETS		84,120,388	86,768,112

The annexed notes form an integral part of these accounts.

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Chief Executive

Chartered Accountants

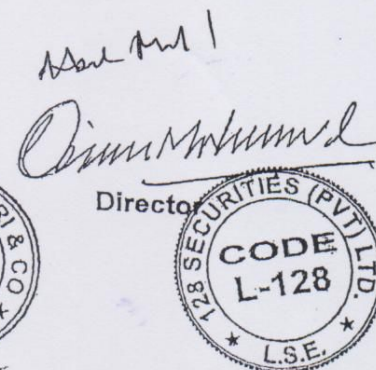
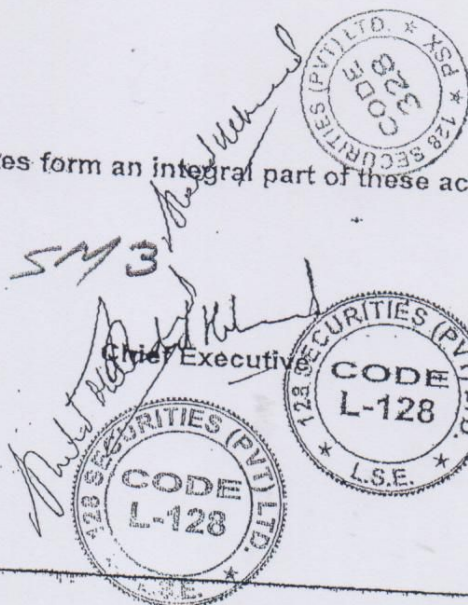
Director

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128 SECURITIES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2014

	NOTE	2014 RS.	2013 RS.
OPERATING INCOME			
Commission Income	14	8,712,082	10,915,063
Other Income - bank interest	15	778,619	418,054
		<u>9,490,701</u>	<u>11,333,117</u>
OPERATING EXPENSES			
Administrative and general	16	9,215,265	8,981,009
Financial and others	17	16,133	28,416
		<u>9,231,398</u>	<u>9,009,425</u>
PROFIT/ (LOSS) BEFORE TAX		259,303	2,323,692
TAXATION			
Normal tax	18	94,907	37,482
Prior year tax adjustment		429,489	-
		<u>524,396</u>	<u>37,482</u>
PROFIT/(LOSS) AFTER TAX CARRIED TO EQUITY STATEMENT		(265,093)	2,286,210
EARNINGS PER SHARE - BASIC AND DILUTED	19	(0.42)	3.58

The annexed notes form an integral part of these accounts.



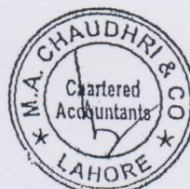
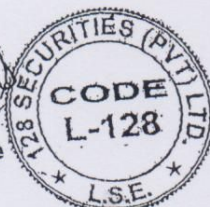
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128 SECURITIES (PVT) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2014

	2014 <u>Rs.</u>	2013 <u>Rs.</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) for the year - after tax	(265,093)	2,286,210
Adjustments for:		
Depreciation for the year	292,824	357,289
	<u>27,731</u>	<u>2,643,499</u>
(Increase) / decrease in current assets		
advances and other receivables	62,458	19,929
trade debts	501,347	(9,131,444)
(Decrease) / increase in current liabilities		
trade and other payables	(2,382,631)	8,302,131
Net cash generated/ (used in) from operating activities	<u>(1,791,095)</u>	<u>1,834,115</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) in long term deposits and prepayments		(200,000)
(Increase) in fixed assets	(38,900)	(24,850)
Net cash used in investing activities	<u>(38,900)</u>	<u>(224,850)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in bank borrowings		(794,239)
Net cash (used in) financing activities		<u>(794,239)</u>
CASH AND BANK BALANCES-at the beginning of the year	4,323,219	3,508,194
CASH AND BANK BALANCES-at the end of the year	<u><u>2,493,224</u></u>	<u><u>4,323,219</u></u>



Chief Executive



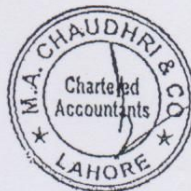
Director



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128 SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2014

	<u>Share Capital</u>	<u>Accumulated loss</u>	<u>Total</u>
Balance as at 30 June 2012	63,874,000	(9,928,484)	53,945,516
Profit/(Loss) for the year	-	2,286,210	2,286,210
Balance as at 30 June, 2013	63,874,000	(7,642,274)	56,231,726
Profit/(Loss) for the year	-	(265,093)	(265,093)
Balance as at 30 June, 2014	63,874,000	(7,907,367)	55,966,633



Chief Executive

Director

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2014**

1) LEGAL STATUS AND NATURE OF BUSINESS

128 Securities (Pvt) Limited was incorporated under the Companies Ordinance, 1984 vide Certificate No. 18594/20060602 dated 01st June, 2006 issued by Joint Registrar of Companies Lahore Region Lahore. The company is corporate member of the Lahore Stock Exchange (Guarantee) Limited. The registered office of the company is located at Room No. 612, Lahore Stock Exchange. Its principal activities include trading and brokerage for equities, underwriting of public issues etc.

2) BASIS OF MEASUREMENT

2.1) Accounting convention

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

2.2) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting and financial reporting standards comprise of such standards as approved by Institute of Chartered Accountants of Pakistan for Medium-Sized Entities. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

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) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, 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 the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in respective note.

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3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1) Staff Retirement Benefits

The company operates an un-approved un-funded gratuity scheme covering all permanent employees.

3.2) Compensated Absences

The company accounts for these benefits in the accounting year in which the absences are paid.

3.3) Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

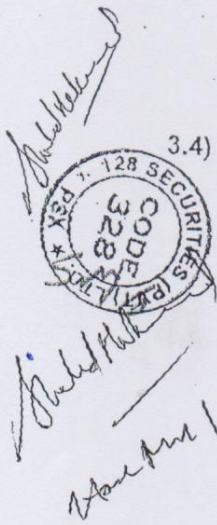
3.4) Property and equipment and depreciation

3.4.1) Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

3.4.2) Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.



3.4.3) Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost/ depreciable amount of the assets over their estimated useful lives at the rates given in respective note. The company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the assets is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

3.4.4) Impairment

Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.5) Intangible assets

Intangible assets with indefinite life are stated at cost less impairment if any. Intangible assets with finite useful life are stated at cost less amortisation and impairment if any.

3.5.1) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

3.5.2) Amortisation

Intangible assets with indefinite useful lives are not amortised instead they are systematically tested for impairment at each balance sheet date. Intangible assets with finite useful lives are amortised at straight line basis over the life of the asset.

3.6) Investments

All investments are initially recognised at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investment, in which case the transaction costs are charged off to the profit and loss account.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories:

3.6.1) held for trading

An investment is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition.

Investments are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decision based on their fair value. Subsequent to initial recognition these investments are marked to market and are carried on the Balance Sheet at fair value. Upon initial recognition, attributable transaction cost are recognised in profit or loss when incurred. Investments at fair value through profit or



loss are measured at fair value, and changes therein are recognised in profit or loss.

3.6.2) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

3.6.3) Available-for-sale

Other investments not covered in any of the other categories are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized directly in equity. Gains or losses on available-for-sale investments are recognized directly in equity until the investments are sold or disposed off, or until the investments are determined to be impaired, at which time cumulative gain or loss previously reported in the equity is included in current year's profit and loss.

All investments classified as available-for-sale are initially recognized at cost inclusive of transaction costs and subsequently quoted investments are remeasured at fair value at balance sheet date. Fair value of unquoted investments is estimated based on appropriate valuation method if it is practical to determine it. If fair value is not determined, investment are stated at cost less impairment losses, if any. Fair value of listed securities are the quoted prices on stock exchange at balance sheet date.

The company follows trade date accounting for purchase and sales of investments.

3.7) Trade and other receivables

Trade debts and other receivables are recognised at fair value and subsequently measured at amortised cost. A provision for impairment in trade and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

3.8) Trade date accounting

All "regular way" purchases and sales are recognized on the trade date, that is the date that the company commits to purchase / sell the assets.



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3.9) Trade debts

These are stated net of provision for doubtful debts. Full provision is made against the debt considered doubtful.

3.10) Provisions

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.11) Financial instruments

Financial instruments carried on the balance sheet include investments, receivables, cash and bank balances, finances under mark-up arrangements, other payables, deposits, creditors, accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.12) Borrowing costs

Borrowing costs are interest or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

3.13) Research and development costs

Research and development costs are charged to income as and when incurred.

3.14) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

3.15) Revenue recognition

Dividend on other investments is recognized when right to receive the dividend is established.

Interest income is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

Gains/ (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

Service income is recognized when services are rendered.

Miscellaneous income is recognized on receipt basis.

3.16) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the assets and settle the liability simultaneously.

3.17) Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.



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3.18) Impairment

The carrying value of company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying value of the assets exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.19) Earnings per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.20) Dividend distributions and appropriations

Dividend distribution and appropriations are recorded in the period in which the distributions and appropriations are approved.

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[Signature]



	2014 Rs.	2013 Rs.
4. SHARE CAPITAL		
Authorised Capital		
1,000,000 (2013:1,000,000) ordinary shares of Rs.100/- each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and Paid-up capital		
638,740 (2013:638,740) ordinary shares of Rs.100/- each	<u>63,874,000</u>	<u>63,874,000</u>

Pattern of shareholding is given as under:

Chief Executive		
Shahid Mahmood	63,774,000	63,774,000
Directors		
Qasim Mahmood	50,000	50,000
Hashim Mahmood	50,000	50,000
	<u>63,874,000</u>	<u>63,874,000</u>

5. TRADE AND OTHER PAYABLES

Due to Clients	5.1	27,873,132	30,133,052
Other Payables	5.2	280,623	403,334
		<u>28,153,755</u>	<u>30,536,386</u>

5.1 Due to clients the amounts due to customers and members on account of trades undertaken before year-end but becoming due after year-end.

5.2 OTHER PAYABLES

Audit fee payable	25,000	25,000
FED - purchase	61,513	152,467
FED - sale	63,566	167,917
Other payables	27,711	55,284
CDC- client account	3,932	2,666
Rent Tax Payable	3,994	-
Provision for tax	94,907	-
	<u>280,623</u>	<u>403,334</u>



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6. CONTINGENCIES AND COMMITMENTS

Contingencies

Neither any contingent loss nor gain is expected by the company.

Commitments

Except routine and fully provided commitments neither any guarantee has been given nor any material commitment made by the company.

7. PROPERTY AND EQUIPMENT-TANGIBLE

PARTICULARS	COST			DEPRECIATION				W.D.V. AS AT 30.06.2014
	AS AT 01.07.2013	ADDITION (DELETION)	AS AT 30.06.2014	AS AT 01.07.2013	RATE %	FOR THE YEAR	AS AT 30.06.2014	
OWNED								
Office Equipment	1,545,776	38,900	1,584,676	972,637	15	91,806	1,064,443	520,233
Computer	2,181,166	-	2,181,166	1,921,276	30	77,967	1,999,243	181,923
Furniture & Fixtures	1,061,332	-	1,061,332	700,023	15	54,196	754,219	307,113
Vehicles	1,507,100	-	1,507,100	1,048,071	15	68,854	1,116,925	390,175
2014	6,295,374	38,900	6,334,274	4,642,007		292,824	4,934,831	1,399,443
2013	6,270,524	24,850	6,295,374	4,284,718		357,289	4,642,007	1,653,367

8. ROOM AND TREC-INTANGIBLE

8.1 Trading Rights Entitlement Certificate-(TREC)

8.2 Room - 612

	2014 RS.	2013 RS.
8.1 Trading Rights Entitlement Certificate-(TREC)	11,200,000	11,200,000
8.2 Room - 612	2,000,000	2,000,000
	<u>13,200,000</u>	<u>13,200,000</u>

8.1 Pursuant to the promulgation of the stock exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the ownership rights in a stock exchange were segregated from the right to trade on an exchange. As a result, the above arrangement has resulted in allocation of 843,975 shares at Rs10 each having break up value of Rs 11.32 each, with a total face value of Rs 8.4 Million and Trading Rights Entitlement Certificate (TREC) to the company by the LSE. out of total shares of 843,975 allocated to the company 506,385 shares are transferred to CDC sub-account in the company's name under the LSE's participant IDs with the CDC which will remain blocked until these are divest/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the company. under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the LSE has introduced a minimum capital requirement of Rs. 4 million and in the absence of an active market for TREC, this assigned value has been considered as the closest estimate of the fair value of the TREC. Therefore, based on the above estimates of the fair value of LSE shares, (Rs. 8.44 Million) and TREC (Rs. 4 Million), the company has allocated its carrying value of the membership card (Rs. 35 Million) in the ratio of 68 to shares and 32 to TREC. Consequently, the investments in LSE shares and TREC stands worked out as under:

Particulars	Fair value Rs.	Ratio %	Value Assigned Rs.
LSE shares	8.44 M	68	23,800,000
LSE TREC	4.0 M	32	11,200,000
	<u>12.44 M</u>	<u>100</u>	<u>35,000,000</u>

8.2 This represent cost of offices given by Lahore Stock Exchange with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.



9. INVESTMENTS

2014 RS.	2013 RS.
<u>23,800,000</u>	<u>23,800,000</u>

This represents the apportioned value of the membership card as allocated for TREC @ 32% and LSE Shares @ 68%. Management does not provide for deficit/ surplus on remeasurement to fair value due to their temporary character.

10. LONG TERM DEPOSITS

Deposits with:

Lahore Stock Exchange (Guarantee) Ltd	755,000	755,000
National Clearing Company of Pakistan Ltd	100,000	100,000
Office Security	107,285	107,285
	<u>962,285</u>	<u>962,285</u>

11. TRADE DEBTS

<u>41,851,141</u>	<u>42,352,488</u>
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These represent the amounts due from customers and members on account of trades undertaken before year-end but becoming due after year-end. All receivable amounts are secured and considered good by the management.

12. ADVANCES AND OTHER RECEIVABLE

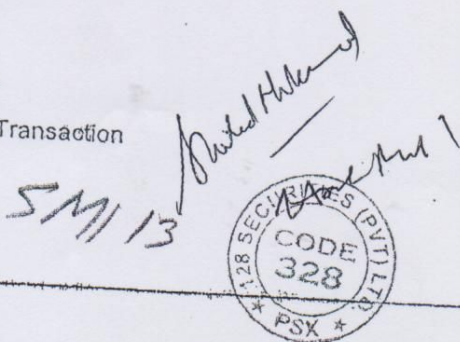
Advance to staff	12.1	318,315	356,419
Advance Tax	12.2	95,980	119,371
Other receivables		-	963
		<u>414,295</u>	<u>476,753</u>

12.1) Advance to Staff

The amounts are interest free, unsecured and considered good by the management.

12.2) Tax Deducted at Source

On Bank Profit	56,765	45,959
On dividend income	21,099	73,412
Presumptive Tax - On Transaction	18,116	-
	<u>95,980</u>	<u>119,371</u>



	2014 <u>Rs.</u>	2013 <u>Rs.</u>
13. CASH AND BANK BALANCES		
CASH AT BANKS		
In saving accounts		
Al-Falah-DHA A/c. 0033-02918383	35,171	552,504
Al-Falah - LSE A/c. 004802910036	666,676	2,486,087
128-SEC A/C0048-01001830	1,662,581	14,580
128-SEC A/C00310081000626019-BLHB	12,732	58,407
In current accounts		
Al-Falah-NGT A/c. 508-036-035284-01	69,813	69,813
House A/c. 0048-02910040	-	65,900
ABL LTD-LSE BR-480011	4,632	19,100
Al-Falah -A/c. 0031-0081-000626-01-9	4056	1,006,818
MCB - LSE A/c. 28-0	9,000	9,000
CASH IN HAND	28,563	41,010
	<u>2,493,224</u>	<u>4,323,219</u>

14. COMMISSION INCOME

Commission income	14.1	9,113,830	11,169,097
NCSS charges		221,396	99,701
CDC charges		180,352	139,103
Others		-	15,230
		<u>401,748</u>	<u>254,034</u>
		<u>8,712,082</u>	<u>10,915,063</u>

14.1 COMMISSION INCOME

Gross commission income	15,634,639	14,982,888
Less: Commission expenses	(6,520,809)	(3,813,791)
	<u>9,113,830</u>	<u>11,169,097</u>

15. OTHER INCOME - bank interest

Interest on bank deposit/PLS A/c.	531,041	418,054
Other Income	36,584	-
Dividend Income	210,994	-
	<u>778,619</u>	<u>418,054</u>



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 54.4
 Abdul Muhsin
 Abdul Muhsin

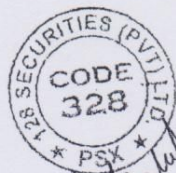
		2014 <u>Rs.</u>	2013 <u>Rs.</u>
16. ADMINISTRATIVE AND GENERAL			
Directors Remuneration			
Salaries & Benefits	16.1	1,080,000	1,077,516
Rent, Rates & Taxes		2,941,550	2,549,245
Printing & Stationery		495,500	457,380
Telephone & Postage		91,690	107,845
Electricity & Gas Expenses	16.2	912,838	787,963
Entertainment		823,718	652,513
Computer Repair & Maintenance		384,638	352,831
Newspaper & Periodicals		54,375	289,303
Travelling & Conveyance		1,248	2,742
Publicity & Advertisement		28,890	28,292
Charity & Donation		84,000	168,000
Audit Fee		9,100	4,550
Fee & Taxes		25,000	25,000
Legal & Professional charges		143,000	108,560
Other Expense		139,000	105,500
Depreciation		1,707,894	1,906,480
		292,824	357,289
		<u>9,215,265</u>	<u>8,981,009</u>

16.1 SALARIES & BENEFITS

Hashim Mahmood	480,000	478,583
Qasim Mahmood	600,000	598,933
	<u>1,080,000</u>	<u>1,077,516</u>

16.2 TELEPHONE & POSTAGE

Mobile Bill	214,694	240,021
Postage	126,010	64,359
Internet	85,094	87,605
Telephone	487,040	395,978
	<u>912,838</u>	<u>787,963</u>



	2014 Rs.	2013 Rs.
17. FINANCIAL AND OTHERS		
Bank charges	16,133	28,416
	<u>16,133</u>	<u>28,416</u>
18. TAXATION		
Commission income - net	8,712,082	10,915,063
Other income	778,619	418,054
	<u>9,490,701</u>	<u>11,333,117</u>
Minimum tax @ 1% on turnover	94,907	-
Normal tax	-	37,482
	<u>94,907</u>	<u>37,482</u>
19. EARNINGS PER SHARE - BASIC AND DILUTED		

There is no dilutive effect on the basic earning per share of the company which is based on:

Profit/(Loss) attributable to ordinary share holders in Rs.	(265,093)	2,286,210
Number of ordinary shares issue	638,740	638,740
Profit/ (Loss) per share-basis in rupees	<u>(0.42)</u>	<u>3.58</u>

20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

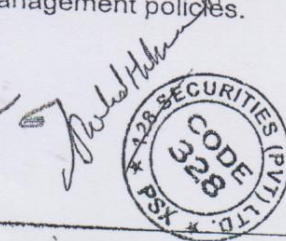
The company has exposure to the following risks from its use of financial instruments:

Credit Risk
Liquidity Risk
Market Risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

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CREDIT RISK EXPOSURE

Credit risk represents the accounting loss that would be recognized at the reporting date if contracting parties failed completely to perform as contracted. The company believes that it is not exposed to major concentration of credit risk. Further, it manages credit risk in trade receivable by executing formal agreements with the debtors.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancement. The maximum exposure to the credit risk at the reporting date is:

	2014 Rs.	2013 Rs.
Trade debts	41,851,141	42,352,488
Advances and other receivables	414,295	476,753
Bank balances	2,464,661	4,282,209
	<u>44,730,097</u>	<u>47,111,450</u>

LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The company is not materially exposed to liquidity risk as the obligations/ commitments of the company are being fulfilled on timely basis.

The following are the contractual maturities of the financial liabilities:

Financial liabilities
Trade and other payables

2014		
Carrying amount	Next twelve months	More than one year
-	-	-
-	-	-

Financial liabilities
Trade and other payables

2013		
Carrying amount	Next twelve months	More than one year
-	-	-
-	-	-



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MARKET RISK

Market risk is the risk that changes in market price, such as foreign exchange rate, interest rate and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company has short term loans at variable rates. Rates on short term finances are disclosed in relevant notes.

YIELD/ MARKUP RATE EXPOSURE

Yield/ mark-up rate risk is the risk that the value of financial instrument due to change in market yield/ mark-up rates. Sensitivity to yield/mark-up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprise in a given period. The company manages these mismatches through risk managements strategies where significant changes in gap position can be adjusted. The company is exposed to yield/ mark-up rate in respect of the following:

Financial assets

Cash and bank balances

Financial liabilities

Current maturity of long term financing

Short term financing

Total yield/ markup rate risk sensitivity gap

2014	2013	2014	2013
effective rate of markup		carrying amount	
-	-	2,493,224	4,323,219
-	-	-	-
-	-	-	-
		2,493,224	4,323,219

EXPOSURE TO CURRENCY RISK

Currency risk is the risk that the financial instrument will fluctuate due to changes in foreign exchange rates. In appropriate cases, the management takes out forward contract to mitigate the risk.

The company's exposure to the foreign currency risk at the reporting date is as follows:

Outstanding letter of credit
Net exposure

2013
Rs.

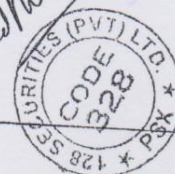
2012
Rs.

21. CHIEF EXECUTIVE, DIRECTORS' AND EXECUTIVES' REMUNERATION

	2014			2013		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	600,000	480,000	-	-	-	-
	600,000	480,000	-	-	-	-
Number of persons	-	-	-	-	-	-

No remuneration, other benefits and perquisites has been paid/entitled to the directors including the Chief Executive Officer of the company.

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22. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

23. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized by the board of directors for issue on 26 Sep 2014.

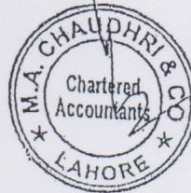
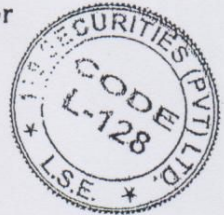
24. GENERAL

Figures have been rounded off to the nearest of rupee.

[Signature]
Chief Executive



[Signature]
Director



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