

**Khanani Securities (Private) Limited**  
**Financial Statements**  
**For the period ended December 31, 2016**

**Khanani Securities (Private) Limited**  
**Balance Sheet**  
**As at December 31, 2016**

|  | Note | Rupees<br>Dec-16   | Rupees<br>Jun-16   |
|--|------|--------------------|--------------------|
| <b>ASSETS</b>  |      |                    |                    |
| <b>NON-CURRENT ASSETS</b>                            |      |                    |                    |
| Property & equipment                                 | 4    | 750,685            | 803,592            |
| Intangible assets                                    | 5    | 5,000,000          | 5,000,000          |
| Long term investment                                 | 6    | 40,073,830         | 40,073,830         |
| Long term deposits                                   | 7    | 409,809            | 409,809            |
|  |      | 46,234,324         | 46,287,231         |
| <b>CURRENT ASSETS</b>                                |      |                    |                    |
| Trade receivables                                    | 8    | 11,016,737         | 4,110,281          |
| Advances, deposits, pre-payments & other receivables | 9    | 10,804,635         | 5,619,126          |
| Cash & bank balances                                 | 10   | 19,450,528         | 17,067,734         |
|  |      | 41,271,900         | 26,797,141         |
| <b>TOTAL ASSETS</b>                                  |      | <u>87,506,224</u>  | <u>73,084,372</u>  |
| <b>EQUITY AND LIABILITIES</b>                        |      |                    |                    |
| <b>CAPITAL AND RESERVES</b>                          |      |                    |                    |
| <b>Authorized Capital</b>                            |      |                    |                    |
| 20,000,000 ordinary shares of Rs. 10/- each          |      | <u>200,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and paid-up capital               | 11   | 90,010,000         | 90,010,000         |
| Unappropriated profit/(loss)                         |      | (23,352,115)       | (29,675,803)       |
|  |      | 66,657,885         | 60,334,197         |
| <b>LIABILITIES</b>                                   |      |                    |                    |
| <b>NON-CURRENT LIABILITIES</b>                       |      |                    |                    |
| Long term loan                                       | 12   | 5,452,000          | 5,452,000          |
| <b>CURRENT LIABILITIES</b>                           |      |                    |                    |
| Trade payables                                       |      | 14,050,724         | 6,124,293          |
| Accrued expenses & other liabilities                 | 13   | 1,345,615          | 1,173,882          |
|  |      | 15,396,339         | 7,298,175          |
| <b>CONTINGENCIES AND COMMITMENTS</b>                 | 14   | -                  | -                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <u>87,506,224</u>  | <u>73,084,372</u>  |

  
**Chief Executive**

  
**Director**

**Khanani Securities (Private) Limited**  
**Profit & Loss Account**  
For the period ended December 31, 2016

|                                | Note | Rupees<br>Dec-16 | Rupees<br>Jun-16 |
|--------------------------------|------|------------------|------------------|
| <b>REVENUE</b>                 |      |                  |                  |
| Operating revenue              | 15   | 9,345,116        | 10,234,871       |
| Administrative expenses        | 16   | 3,104,245        | 6,156,360        |
| Finance cost                   | 17   | 5,303            | 10,112           |
|                                |      | 3,109,548        | 6,166,472        |
| Operating profit/ (Loss)       |      | 6,235,568        | 4,068,399        |
| Other charges                  | 18   | -                | 10,088,604       |
| Other income                   | 19   | 88,120           | 361,795          |
| Profit/ (Loss) before taxation |      | 6,323,688        | (5,658,410)      |
| Taxation                       | 20   | -                | 1,408,589        |
| Profit/ (Loss) after taxation  |      | 6,323,688        | (7,066,999)      |

  
Chief Executive

  
Director

**Khanani Securities ( Private) Limited**  
**Statement of Changes in Equity**  
**As at December 31, 2016**

|                                 | Issued, Subscribed<br>and Paid-up Capital | Unappropriated<br>Profit/ (Loss) | Total         |
|---------------------------------|---|----------------------------------|---------------|
|                                 | <i>Rupees</i>                             | <i>Rupees</i>                    | <i>Rupees</i> |
| Balance as at June 30, 2015     | 90,010,000                                | (22,608,804)                     | 67,401,196    |
| Profit / (Loss) after taxation  | -   | (7,066,999)                      | (7,066,999)   |
| Balance as at June 30, 2016     | 90,010,000                                | (29,675,803)                     | 60,334,197    |
| Profit / (Loss) after taxation  | -   | 6,323,688                        | 6,323,688     |
| Balance as at December 31, 2016 | 90,010,000                                | (23,352,115)                     | 66,657,885    |

  
**Chief Executive**

  
**Director**

**Khanani Securities (Private) Limited**  
Notes to the accounts

**4 Property and Equipment**

|                                       | Office Premises<br>(Rupees) | Furniture & Fixtures<br>(Rupees) | Computer & Allied<br>(Rupees) | Air Conditioners<br>(Rupees) | Vehicles<br>(Rupees) | Total<br>(Rupees) |
|---------------------------------------|-----------------------------|----------------------------------|-------------------------------|------------------------------|----------------------|-------------------|
| <b>Net carrying value basis</b>       |                             |                                  |                               |                              |                      |                   |
| <b>Period ended December 31, 2016</b> |                             |                                  |                               |                              |                      |                   |
| Opening net book value (NBV)          | 423,225                     | 56,686                           | 42,918                        | 8,881                        | 271,883              | 803,592           |
| Additions (at cost)                   | -                           | -                                | -                             | -                            | -                    | -                 |
| Disposals (at NBV)                    | -                           | -                                | -                             | -                            | -                    | -                 |
| Depreciation charge                   | (21,161)                    | (4,251)                          | (6,438)                       | (666)                        | (20,391)             | (52,908)          |
| Closing net book value (NBV)          | <b>402,064</b>              | <b>52,435</b>                    | <b>36,480</b>                 | <b>8,215</b>                 | <b>251,492</b>       | <b>750,685</b>    |
| <b>Gross carrying value basis</b>     |                             |                                  |                               |                              |                      |                   |
| <b>As at December 31, 2016</b>        |                             |                                  |                               |                              |                      |                   |
| Cost                                  | 577,500                     | 202,678                          | 621,148                       | 38,000                       | 1,435,500            | 2,874,826         |
| Accumulated depreciation              | (175,436)                   | (150,243)                        | (584,668)                     | (29,785)                     | (1,184,008)          | (2,124,141)       |
| Net book value (NBV)                  | <b>402,064</b>              | <b>52,435</b>                    | <b>36,480</b>                 | <b>8,215</b>                 | <b>251,492</b>       | <b>750,685</b>    |
| <b>Net carrying value basis</b>       |                             |                                  |                               |                              |                      |                   |
| <b>Year ended June 30, 2016</b>       |                             |                                  |                               |                              |                      |                   |
| Opening net book value (NBV)          | 470,250                     | 66,689                           | 61,311                        | 10,448                       | 319,862              | 928,560           |
| Additions (at cost)                   | -                           | -                                | -                             | -                            | -                    | -                 |
| Disposals (at NBV)                    | -                           | -                                | -                             | -                            | -                    | -                 |
| Depreciation charge                   | (47,025)                    | (10,003)                         | (18,393)                      | (1,567)                      | (47,979)             | (124,967)         |
| Closing net book value (NBV)          | <b>423,225</b>              | <b>56,686</b>                    | <b>42,918</b>                 | <b>8,881</b>                 | <b>271,883</b>       | <b>803,592</b>    |
| <b>Gross carrying value basis</b>     |                             |                                  |                               |                              |                      |                   |
| <b>As at June 30, 2016</b>            |                             |                                  |                               |                              |                      |                   |
| Cost                                  | 577,500                     | 202,678                          | 621,148                       | 38,000                       | 1,435,500            | 2,874,826         |
| Accumulated depreciation              | (154,275)                   | (145,992)                        | (578,230)                     | (29,119)                     | (1,163,617)          | (2,071,233)       |
| Net book value (NBV)                  | <b>423,225</b>              | <b>56,686</b>                    | <b>42,918</b>                 | <b>8,881</b>                 | <b>271,883</b>       | <b>803,592</b>    |
| Depreciation rates (%)                | 10                          | 15                               | 30                            | 15                           | 15                   |                   |

**Khanani Securities (Private) Limited**  
**Notes to the accounts**

|  | Note | Rupees<br>Dec-16  | Rupees<br>Jun-16  |
|--|------|-------------------|-------------------|
| <b>5 Intangibles</b>   |      |                   |                   |
| Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited  | 6.1  | 5,000,000         | 15,000,000        |
| Less: Impairment Loss  |      |                   | (10,000,000)      |
|  |      | <b>5,000,000</b>  | <b>5,000,000</b>  |
| <b>6 Long Term Investments</b>   |      |                   |                   |
| <b>Available for sale - unquoted</b>   |      |                   |                   |
| Investment in shares of Pakistan Stock Exchange Limited  | 6.1  | 40,073,830        | 40,073,830        |
| Less: Impairment Loss  |      |                   |                   |
|  |      | <b>40,073,830</b> | <b>40,073,830</b> |
| 6.1 This represents unquoted shares of Stock Exchange received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383 of Pakistan Stock Exchange Limited (formerly KSEL). Out of total number of shares owned, 60% shares of the said entities are held in separate CDC blocked Account, to restrict the sale of these shares by the members. Whereas stock exchanges will dispose of these shares under the Demutualization Act, however the proceeds of these shares and right to dividend/bonus is vested with the Company whereas the voting rights attached to these shares are suspended. Above unquoted shares are valued initially recognized at face value. |      |                   |                   |
| <b>7 Long-term Deposits</b>  |      |                   |                   |
| Pakistan Stock Exchange Limited  |      | 204,809           | 204,809           |
| Central Depository Company   |      | 5,000             | 5,000             |
| National Clearing Company Pakistan Limited   |      | 200,000           | 200,000           |
|  |      | <b>409,809</b>    | <b>409,809</b>    |
| <b>8 Trade Receivables</b>   |      |                   |                   |
| Unsecured considered good  |      |                   |                   |
| - from clients   |      | 7,987,767         | 3,896,371         |
| -from Clearing House   |      | 3,028,970         | 213,910           |
|  |      | <b>11,016,737</b> | <b>4,110,281</b>  |
| <b>9 Advances, deposit &amp; other receivable</b>  |      |                   |                   |
| Exposure Deposit in Pakistan Stock Exchange Limited  |      | 7,400,000         | 4,000,000         |
| Advance Tax  |      | 3,404,635         | 1,619,126         |
|  |      | <b>10,804,635</b> | <b>5,619,126</b>  |
| <b>10 Cash &amp; Bank balances</b>   |      |                   |                   |
| Cash In hand   |      | 60,235            | 66,052            |
| Cash at Bank   |      | 19,390,293        | 17,001,682        |
|  |      | <b>19,450,528</b> | <b>17,067,734</b> |

**Khanani Securities (Private) Limited**  
Notes to the accounts

| Note | Rupees<br>Dec-16 | Rupees<br>Jun-16 |
|------|------------------|------------------|
|------|------------------|------------------|

**11 Issued, subscribed & Paid-up-Capital**

**Ordinary Shares of Rs. 10 /- each**

| 2016             | 2015             |  | Rupees<br>Dec-16  | Rupees<br>Jun-16  |
|------------------|------------------|--|-------------------|-------------------|
| 1,000            | 1,000            | Ordinary shares of Rs. 10 each fully paid in cash                        | 10,000            | 10,000            |
| 9,000,000        | 9,000,000        | Ordinary shares of Rs. 10 each issued for consideration other than cash. | 90,000,000        | 90,000,000        |
| <u>9,001,000</u> | <u>9,001,000</u> |  | <u>90,010,000</u> | <u>90,010,000</u> |

The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

**12 Long Term Loan**

|               |                  |                  |
|---------------|------------------|------------------|
| From Director | <u>5,452,000</u> | <u>5,452,000</u> |
|---------------|------------------|------------------|

The director have provided markup free loan repayable at the discretion of the company.

**13 Accrued Expenses and Other liabilities**

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| Accrued Expenses              | 305,433          | 135,520          |
| Provision for Taxation        | 831,642          | 831,642          |
| Workers' Welfare Fund Payable | 196,957          | 196,957          |
| Other Liabilities             | 11,583           | 9,763            |
|                               | <u>1,345,615</u> | <u>1,173,882</u> |

**14 Contingencies and Commitment**

There is no contingencies and commitment during the year. (2015 : Nil)

**15 Operating Revenue**

|                      |                  |                   |
|----------------------|------------------|-------------------|
| Brokerage Commission | 9,144,747        | 8,952,509         |
| Dividend Income      | 200,369          | 1,282,363         |
|                      | <u>9,345,116</u> | <u>10,234,871</u> |

**16 Administrative Expenses**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Directors' Remuneration     | 435,000          | 905,000          |
| Staff Salaries & Allowances | 858,000          | 1,815,000        |
| Utilities & Communication   | 225,685          | 163,094          |
| Rent, Rates & Taxes         | 12,000           | 24,900           |
| Fees & Subscription         |                  | 423,100          |
| Service Transaction Charges | 800,593          | 1,220,505        |
| Audit Fee                   |                  | 100,000          |
| Legal & Professional        | 134,560          | 120,320          |
| Professional Tax            |                  | 50,000           |
| Printing and Stationary     | 14,035           | 19,609           |
| Repair & Maintenance        | 185,200          | 200,390          |
| Entertainment               | 192,500          | 321,000          |
| Postage & Courier           |                  | 1,910            |
| Vehicle Running             | 193,764          | 380,580          |
| Depreciation                | 52,908           | 124,968          |
| Misc. & General             |                  | 285,984          |
|                             | <u>3,104,245</u> | <u>6,156,360</u> |

Khanani Securities (Private) Limited  
Notes to the accounts

| Note                    | Rupees<br>Dec-16 | Rupees<br>Jun-16  |
|-------------------------|------------------|-------------------|
| 17 <u>Finance Cost</u>  |                  |                   |
| Bank Charges            | 5,303            | 10,112            |
|                         | <u>5,303</u>     | <u>10,112</u>     |
| 18 <u>Other Charges</u> |                  |                   |
| Impairment Loss         | -                | 10,000,000        |
| Workers' Welfare Fund   | -                | 88,604            |
|                         |                  | <u>10,088,604</u> |
| 19 <u>Other Income</u>  |                  |                   |
| IPO Commission          | 2,040            | 18,254            |
| Exposure income (KSE)   | 86,080           | 343,541           |
|                         | <u>88,120</u>    | <u>361,795</u>    |
| 20 <u>Taxation</u>      |                  |                   |
| Current                 |                  | 1,408,589         |
|                         |                  | <u>1,408,589</u>  |