

Khanani Securities (Private) Limited
 Period: 2017
 Balance Sheet as at 31/12/2017

		2017 December 2017	2016 June 2016
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	1	2,000,000	2,000,000
Intangible assets	2	1,000,000	1,000,000
Long-term investments	3	10,000,000	10,000,000
Other non-current assets	4	1,000,000	1,000,000
		<u>14,000,000</u>	<u>14,000,000</u>
CURRENT ASSETS			
Trade receivables	5	1,000,000	1,000,000
Other receivables	6	1,000,000	1,000,000
Accounts payable, accrued expenses & other liabilities	7	(1,000,000)	(1,000,000)
Other current assets	8	1,000,000	1,000,000
		<u>2,000,000</u>	<u>2,000,000</u>
TOTAL ASSETS		<u>16,000,000</u>	<u>16,000,000</u>

Khanani Securities (Private) Limited
Financial Statements
For the period ended December 31, 2017

EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Shareholders' equity		10,000,000	10,000,000
Reserves and other components of equity		6,000,000	6,000,000
		<u>16,000,000</u>	<u>16,000,000</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		1,000,000	1,000,000
Accounts payable & other liabilities		1,000,000	1,000,000
		<u>2,000,000</u>	<u>2,000,000</u>
CONTINGENT LIABILITIES AND COMMITMENTS			
		<u>0</u>	<u>0</u>
TOTAL EQUITY AND LIABILITIES		<u>16,000,000</u>	<u>16,000,000</u>


[Signature]
 Director

[Signature]
 Director

Khanani Securities (Private) Limited
Balance Sheet
As at December 31, 2017

	Note	Rupees December 2017	Rupees June 2017
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	699,377	721,577
Intangible assets	5	2,500,000	2,500,000
Long term investment	6	35,906,147	41,163,838
Long term deposits	7	1,405,000	14,905,000
		40,510,525	59,290,415
CURRENT ASSETS			
Trade receivables	8	5,246,447	10,890,224
Short term investments	9	21,247,894	-
Advances, deposits, pre-payments & other receivables	10	18,639,631	19,139,151
Cash & bank balances	11	63,335,486	112,558,563
		108,469,457	142,587,938
TOTAL ASSETS		148,979,982	201,878,353
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
20,000,000 (2016: 20,000,000) ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	12	90,010,000	90,010,000
Unappropriated profit / (loss)		19,735,311	19,352,231
Unrealised gain on revaluation of available for sale investments		19,876,617	25,134,308
		129,621,928	134,496,539
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		14,843,365	62,844,645
Accrued expenses & other liabilities	13	4,514,690	4,537,169
		19,358,055	67,381,814
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		148,979,982	201,878,353


Chief Executive


Director

Khanani Securities (Private) Limited
Profit & Loss Account
For the period ended December 31, 2017

	Note	Rupees December 2017	Rupees June 2017
REVENUE			
Operating revenue	15	6,107,121	18,719,482
Capital gain on sale of shares in Pakistan Stock Exchange Limited		-	43,382,087
Unrealized loss as a result of remeasurement at market value		(2,420,041)	-
		3,687,080	62,101,569
Administrative expenses	16	(3,466,186)	(7,482,106)
Finance cost	17	(6,060)	(13,138)
		(3,472,246)	(7,495,244)
Operating profit		214,834	54,606,325
Other charges	18	-	(2,500,000)
Other income	19	168,246	452,539
Profit before taxation		383,079	52,558,864
Taxation	20	-	(3,530,830)
Profit after taxation		383,079	49,028,034
Earnings per share - basic and diluted	21	0.043	5.447


Chief Executive


Director

Khanani Securities (Private) Limited
Statement of Comprehensive Income
For the period ended December 31, 2017

Note	Rupees December 2017	Rupees June 2017
Profit after taxation	383,079	49,028,034
<u>Other comprehensive loss</u>		
Unrealised loss on revaluation of available for sale investments	(5,257,691)	-
Total comprehensive (loss) / income for the year	(4,874,611)	49,028,034


Chief Executive


Director

Khanani Securities (Private) Limited
Statement of Changes in Equity
For the period ended December 31, 2017

	Issued, subscribed and paid-up capital	Unappropriated (loss) / profit	Unrealised gain / (loss) on revaluation of available for sale investments	Total
	<i>Rupees</i>	<i>Rupees</i>		<i>Rupees</i>
Balance as at June 30, 2016	90,010,000	(29,675,803)		60,334,197
Profit after taxation	-	49,028,034		49,028,034
Unrealised gain on revaluation of available for sale investments	-	-	25,134,308	25,134,308
Balance as at June 30, 2017	90,010,000	19,352,231	25,134,308	134,496,539
Profit after taxation		383,079		383,079
Unrealised loss on revaluation of available for sale investments	-	-	(5,257,691)	(5,257,691)
Balance as at December 31, 2017	90,010,000	19,735,311	19,876,617	129,621,928


Chief Executive


Director

Khanani Securities (Private) Limited
Notes to the accounts

4 PROPERTY AND EQUIPMENT

	Office premises (Rupees)	Furniture & fixtures (Rupees)	Computer & allied (Rupees)	Air conditioners (Rupees)	Motor vehicles (Rupees)	Total (Rupees)
Net carrying value basis						
Period ended December 31, 2017						
Opening net book value (NBV)	380,902	71,983	30,042	7,549	231,100	721,577
Additions (at cost)	-	-	29,000	-	-	29,000
Disposals (at NBV)	-	-	-	-	-	-
Depreciation charge	(19,045)	(5,399)	(8,856)	(566)	(17,333)	(51,199)
Closing net book value (NBV)	361,857	66,584	50,186	6,983	213,768	699,377
Gross carrying value basis						
As at December 31, 2017						
Cost	577,500	230,678	650,148	38,000	1,435,500	2,931,826
Accumulated depreciation	(215,643)	(164,094)	(599,962)	(31,017)	(1,221,733)	(2,232,449)
Net book value (NBV)	361,857	66,584	50,186	6,983	213,768	699,377
Net carrying value basis						
Year ended June 30, 2017						
Opening net book value (NBV)	423,225	56,686	42,918	8,881	271,883	803,593
Additions (at cost)	-	28,000	-	-	-	28,000
Disposals (at NBV)	-	-	-	-	-	-
Depreciation charge	(42,323)	(12,703)	(12,875)	(1,332)	(40,782)	(110,015)
Closing net book value (NBV)	380,902	71,983	30,042	7,549	231,100	721,577
Gross carrying value basis						
As at June 30, 2017						
Cost	577,500	230,678	621,148	38,000	1,435,500	2,902,826
Accumulated depreciation	(196,598)	(158,695)	(591,106)	(30,451)	(1,204,400)	(2,181,250)
Net book value (NBV)	380,902	71,983	30,042	7,549	231,100	721,577
Depreciation rates (%)	10	15	30	15	15	

Khanani Securities (Private) Limited
Notes to the accounts

	Note	Rupees December 2017	Rupees June 2017
5 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	2,500,000	5,000,000
Less: Impairment loss	5.2	-	(2,500,000)
		<u>2,500,000</u>	<u>2,500,000</u>
<p>5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of PSX after completion of the demutualization process.</p> <p>5.2 During the year the Company has measured the Trading Right Entitlement Certificate (TREC) on its fair value of Rs. 2.5 Million on the basis of new membership value fixed by PSX.</p>			
6 LONG TERM INVESTMENTS			
<u>Available for sale - quoted</u>			
<u>Investments in :</u>			
Shares of Pakistan Stock Exchange Limited		41,163,838	16,029,530
Unrealised (loss) / gain on revaluation of shares		(5,257,691)	25,134,308
	6.1	<u>35,906,147</u>	<u>41,163,838</u>
<p>6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383. During the year 2016, Divestment Committee of the Exchange had issued an invitation for Expression of Interest for acquiring upto 40% equity stake in PSX held in blocked CDC account. Thereafter, bids were submitted by interested parties and as a result of bidding process, share price of Rs. 28/share has been offered by the Anchor investor/successful investor. Sale proceeds of 40% shares sold, after retaining 10% of sale price for one year to settle any outstanding liabilities of PSX in terms of Share Purchase Agreement (SPA), have been credited to respective TRE Certificate holders.</p> <p>Furthermore, in June, PSX offered Initial Public Offering (IPO) in which the Company disposed-off additional 801,477 shares (i.e. 20% stake) at a price of Rs. 28 per share. On June 23, 2017 SECP approved PSX's application for listing and thereafter, the shares were successfully listed on June 29, 2017. Accordingly, the remaining 1,602,953 shares (i.e. 40% stake) are valued at the closing market rate of Rs. 25.68 per share as of period end.</p>			
7 LONG TERM ADVANCES & DEPOSITS			
Pakistan Stock Exchange Limited		200,000	200,000
Central Depository Company of Pakistan Limited		5,000	5,000
National Clearing Company of Pakistan Limited		1,200,000	700,000
Deposit against Base Minimum Capital Requirement		-	14,000,000
		<u>1,405,000</u>	<u>14,905,000</u>
8 TRADE RECEIVABLES			
Considered good		4,123,367	10,890,224
Considered doubtful		-	-
		<u>4,123,367</u>	<u>10,890,224</u>
Provision for doubtful debts		-	-
		<u>4,123,367</u>	<u>10,890,224</u>
From clearing house		1,123,080	-
		<u>5,246,447</u>	<u>10,890,224</u>

Khanani Securities (Private) Limited
Notes to the accounts

Note	Rupees December 2017	Rupees June 2017
------	-------------------------	---------------------

9 SHORT TERM INVESTMENTS

Investments at fair values through profit & loss

Listed equity securities

Listed equity securities	23,667,935	-
Unrealized loss as a result of remeasurement at market value	(2,420,041)	-
Market value	<u>21,247,894</u>	<u>-</u>

10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Exposure deposits	10.1	6,500,000	9,000,000
Advance payment of tax		7,565,363	5,564,883
Receivables from PSX against disposal of shares		4,488,268	4,488,268
Staff loan		86,000	86,000
		<u>18,639,631</u>	<u>19,139,151</u>

10.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 2.75% to 3.1% (2016: 3.12% to 3.82%) per annum.

11 CASH AND BANK BALANCES

Cash in hand	47,440	49,708
Cash at bank - in current accounts	63,288,046	112,508,855
	<u>63,335,486</u>	<u>112,558,563</u>

12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary Shares of Rs. 10 /- each

2017	2016			
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>

12.1 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.

Khanani Securities (Private) Limited
Notes to the accounts

Note	Rupees December 2017	Rupees June 2017
13	<u>ACCRUED EXPENSES & OTHER LIABILITIES</u>	
Accrued expenses	140,424	165,400
Provision for taxation	4,362,472	4,362,472
Other liabilities	11,794	9,296
	4,514,690	4,537,169
14	<u>CONTINGENCIES AND COMMITMENTS</u>	
There are no contingencies and commitments as on June 30, 2017. (2016: Nil)		
15	<u>OPERATING REVENUE</u>	
Brokerage Commission	5,016,530	18,278,670
Dividend Income	1,090,591	440,812
	6,107,121	18,719,482
16	<u>ADMINISTRATIVE EXPENSES</u>	
Directors' remuneration	600,000	1,050,000
Salaries, wages and other benefits	900,000	2,190,000
Utility charges	188,171	148,235
Rent, rates and taxes	62,000	86,246
Fees and subscriptions	80,888	160,852
Service and transaction charges	729,950	1,599,918
Audit fees	84,240	100,000
Legal and professional charges	220,200	222,704
Printing and stationery	22,912	18,935
Repairs and maintenance	77,500	431,120
Travelling and conveyance	-	180,000
Entertainment	226,880	408,500
Postage and courier	-	4,130
Vehicle running expenses	222,246	416,174
Depreciation	51,199	110,015
Other expenses	-	355,277
	3,466,186	7,482,106
17	<u>FINANCE COST</u>	
Bank charges	6,060	13,138
	6,060	13,138
18	<u>OTHER CHARGES</u>	
Impairment loss	-	2,500,000
	-	2,500,000
19	<u>OTHER INCOME</u>	
IPO commission	302	5,059
Profit on exposure deposit	167,944	250,523
Reversal of provision for Workers' Welfare Fund	-	196,957
	168,246	452,539

Khanani Securities (Private) Limited
Notes to the accounts

Note	Rupees December 2017	Rupees June 2017
20 <u>TAXATION</u>		
Current	-	3,530,830
	<u>-</u>	<u>3,530,830</u>
21 <u>EARNINGS PER SHARE - BASIC & DILUTED</u>		
21.1 <u>Basic earnings per share</u>		
Profit after taxation	383,079	49,028,034
Weighted average number of shares at the end of the year	9,001,000	9,001,000
	<u>0.04</u>	<u>5.45</u>
21.2 <u>Diluted earnings per share</u>		

There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2017 and June 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.