PASHA SECURITIES (PRIVATE) LIMITED

FINANCIAL ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2015

Faisal Latif & Co.
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **M/S PASHA SECURITIES (PRIVATE) LIMITED** as at June 30, 2015, 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 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that: -

(a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) In our opinion: -

   (i) The Balance Sheet, Profit & Loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

   (ii) The expenditure incurred during the year was for the purpose of 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, Profit & Loss account, Cash Flow Statement and Statement of Change 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 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, 2015; and the Loss, its Cash Flow and Changes in equity for the year then ended; and

(c) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Islamabad

October 04, 2015

Faisal Latif & Co

Chartered Accountants

Faisal Latif (FCA)

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PASHA SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015	2014
		--- Rupees ---	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	13,350,877	14,909,318
Intangible asset	5	4,000,000	4,000,000
Long term advances	6	525,000	525,000
Long term investment	7	30,346,030	30,346,030
		48,221,907	49,780,348
CURRENT ASSETS			
Trade receivables	8	7,742,309	7,600,490
Advances & short term prepayments	9	942,778	845,565
Cash and bank balances	10	11,364,800	16,538,140
		20,049,887	24,984,195
		68,271,794	74,764,543
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
4,500,000 (2014:4,500,000) Ordinary Shares of Rupees 10/- each		**45,000,000**	45,000,000
Issued, subscribed and paid up share capital			
4,381,580 (2014: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid	11	43,815,800	43,815,800
Advance against issuance of shares		7,000,000	7,000,000
Accumulated profit / (loss)		1,406,486	2,208,821
		52,222,286	53,024,621
NON CURRENT LIABILITIES			
Deferred tax liability	12	1,442,540	1,768,239
CURRENT LIABILITIES			
Trade & other payables	13	14,543,347	19,930,881
Provision for taxation	14	63,621	40,802
		14,606,968	19,971,683
CONTINGENCIES & COMMITMENTS	15	-	-
		68,271,794	74,764,543

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

OCTOBER 04, 2015 | **CHIEF EXECUTIVE** | **DIRECTOR**

PASHA SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		--- Rupees ---	
Brokerage Income	16	**4,618,408**	4,080,241
Operating expenses	17	**(7,416,798)**	(6,721,387)
Profit / (Loss) from operations		**(2,798,390)**	(2,641,146)
Finance cost	18	**(9,686)**	(10,160)
Other income	19	**1,743,662**	1,525,534
Profit / (Loss) before taxation		**(1,064,414)**	(1,125,772)
Taxation	14	**262,079**	5,764,594
Profit / (Loss) after taxation		**(802,335)**	4,638,822
Total other comprehensive Profit / (Loss)		**-**	-
Total comprehensive Profit / (Loss)		**(802,335)**	4,638,822
Basic Earning / (Loss) per share	20	**(0.18)**	1.06

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

OCTOBER 04, 2015 **CHIEF EXECUTIVE** **DIRECTOR**

PASHA SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		--- Rupees ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(1,064,414)	(1,125,772)
Adjustment for:			
Depreciation		1,599,741	1,791,593
Gain on exchange of assets		-	-
Finance Cost		9,686	10,160
Cash used in operating activities before working capital changes		545,013	675,982
(Increase)/decrease in current assets			
Trade receivables		(141,819)	(507,868)
Advances & short term prepayments		(45,000)	500
Increase/(decrease) in current liabilities			
Trade and other payable		(5,387,534)	5,539,391
Cash utilized in operations		(5,029,340)	5,708,005
Financial charges paid		(9,686)	(10,160)
Income tax paid		(93,015)	(74,636)
Net cash utilized in operating activities		(102,701)	(84,796)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(41,300)	(17,600)
Membership and deposits		-	-
		(41,300)	(17,600)
CASH FLOW FROM FINANCING ACTIVITIES			
Advance agaisnt issuance of shares		-	7,000,000
Net cash inflow / (outflow) from financing activities		-	7,000,000
Net Increase /(decrease) in cash and cash equivalents		(5,173,341)	12,605,609
Cash and cash equivalents at the beginning of the year		16,538,140	3,932,531
Cash and cash equivalents at the end of the year	10	11,364,799	16,538,140

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

OCTOBER 04, 2015

CHIEF EXECUTIVE

DIRECTOR

PASHA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital	Capital reserves	Accumulated Profit / (Loss)	Total
	Rupees		Rupees	Rupees
Balance as on 01 July 2013	43,815,800	-	(2,430,001)	43,815,800
Total comprehensive (Loss) for the year				
- Profit/(Loss) for the Year	-	-	4,638,822	4,638,822
- Other Comprehensive Income	-	7,000,000	-	-
	-	7,000,000	4,638,822	4,638,822
Balance as on 30 June 2014	**43,815,800**	**7,000,000**	**2,208,821**	**53,024,621**
Total comprehensive (Loss) for the year	-			-
- Profit/(Loss) for the Year	-		(802,335)	(802,335)
Advance against issuance of shares	-	-	-	-
	-	-	(802,335)	(802,335)
Balance as on 30 June 2015	**43,815,800**	**7,000,000**	**1,406,486**	**52,222,286**

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

OCTOBER 04, 2015

CHIEF EXECUTIVE

DIRECTOR

1 STATUS AND NATURE OF BUSINESS

PASHA SECURITIES (PRIVATE) LIMITED was incorporated as a private limited company at Islamabad on March 15, 2006 under the Companies Ordinance, 1984 and is primarily engaged in the business of stock, brokerage, investment advisory-consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in the Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment. and company does not hold assets in fiduciary capacity, and company does not hold assets in fiduciary capacity. Company head office is situated at stock exchange building Islamabad.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance 1984. In case requirement differ, the provision or directives of the Companies Ordinance, 1984 , shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except otherwise stated in relevant notes

2.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

3 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amounts of revenue and the associated cost incurred or to be incurred can be measured reliably.

(i) Brokerage commission is recognized upon settlement of trade.

(ii) sale of goods is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer.

(iii) services revenue is recognized by reference to the stage of completion of the transaction at the balance sheet date.

(iv) rental income is recognized on a time proportion basis over the lease terms:

(v) interest income is recognized on a time proportion basis taking in to account the principal outstanding and the interest applicable

(vi) dividend income is recognized when the shareholder's right to receive payment is established

3.1 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that is directly attributable to the acquisition, construction or production of a qualifying assets. Such borrowing costs, if any are capitalized as part of the cost of the asset.

3.2 Foreign exchange

Foreign currency transactions are recognized at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupee using exchange rates applicable at the balance sheet date. Gains and losses on settlement and translation at the year end are recognized in the income statement.

3.3 Taxation

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized 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 or apply to the period when the differences reverse, based on tax rates that have been enacted.

3.4 Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land and capital work in progress, which are stated at cost. Cost comprises acquisition and other directly attributable costs.

Depreciation on operating fixed assets is charged to income applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 4. Full year depreciation on additions during the year is charged from the date when the asset becomes available for use upto the date of its disposal . Surplus on revaluation of fixed assets relating to incremental depreciation (net of deferred tax) is transferred directly to inappropriate profit.

The assets' residual value and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to inappropriate profit.

Gains and losses on disposal of fixed assets are included in income currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappreciated profit.

Maintenance and repair are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gains and losses on disposal on assets, if any are included in profit and loss account currently.

3.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. The depreciable amount of an intangible asset is amortized on a systematic basis over their estimated useful lives using the straight-line method.

3.6 Investments

Investments available for sale

These are recognized at fair value. Gains or losses from changes in fair values are taken to equity until disposal at which time these are recycled to profit and loss account.

Investments held to maturity

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment losses, if so determined.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified as investments at fair value through profit or loss. These are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investments representing listed equity securities are determined on the basis of prevailing market prices.

3.7 Impairment of assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

3.8 Lease

Leases that transfer substantially all the rewards and risks of ownership of assets to the company are accounted for as finance leases. At the inception of a finance lease, the cost of leased asset is capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and deduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. The lesser gives an option to purchase assets at the end of lease term.

Sale and leaseback transaction

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortized over the lease term. If a sale and leaseback transaction results in an operating lease and the transaction is established at fair value, a profit or loss is recognized immediately.

3.9 Trade and other receivables:

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payments of a debt becomes doubtful a provision is made and charged to the income statement.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.11 Dividend

Dividend liability is recognized in the period in which it is approved.

3.12 Offsetting:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the company has legally enforceable right to setoff the recognized amounts and the company intends to settle on net basis, or realize the assets and settle the liabilities simultaneously.

3.13 Cash & cash equivalents:

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

3.14 Financial Instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be. A financial asset is de-recognized when the company loses control of its contractual rights that comprise the financial asset. A financial liability is de-recognized when it is extinguished. Any gain or loss on de-recognition of the financial assets or liabilities is taken to profit and loss account currently. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

4 PROPERTY AND EQUIPMENT

	Computers	Building	Furniture & Fixtures	Office Equipment	Vehicle	Total
At July 01, 2013						
Cost	387,036	22,247,146	610,364	553,195	3,603,320	27,401,061
Accumulated depreciation	311,415	6,923,448	307,731	344,997	2,830,159	10,717,750
Net Book Value	**75,621**	**15,323,698**	**302,633**	**208,198**	**773,161**	**15,684,645**
Year Ended June 30, 2014						
Opening net book value	73,030	14,044,185	356,039	244,939	966,451	15,684,644
Additions/(Deletion)	17,600	-	-	-	-	17,600
Depreciation charge	27,966	1,532,370	45,395	31,230	154,632	1,791,593
Closing net book value	**75,621**	**15,323,698**	**302,633**	**208,198**	**773,161**	**13,910,651**
At 30 June 2014						
Cost	404,636	22,247,146	610,364	553,195	3,603,320	27,418,661
Accumulated depreciation	339,381	8,455,818	353,126	376,227	2,984,791	12,509,343
Net Book Value	**65,255**	**13,791,328**	**257,238**	**176,968**	**618,529**	**14,909,318**
Year Ended June 30, 2015						
Opening net book value	65,255	13,791,328	257,238	176,968	618,529	14,909,318
Additions	40,000	-	-	1,300	-	41,300
Depreciation charge	31,576	1,379,133	38,586	26,740	123,706	1,599,741
Closing net book value	**73,679**	**12,412,195**	**218,652**	**151,528**	**494,823**	**13,350,877**
At 30 June 2015						
Cost	444,636	22,247,146	610,364	554,495	3,603,320	27,459,961
Accumulated depreciation	370,957	9,834,951	391,712	402,967	3,108,497	14,109,084
Net Book Value	**73,679**	**12,412,195**	**218,652**	**151,528**	**494,823**	**13,350,877**
Annual rate of depreciation	**30%**	**10%**	**15%**	**15%**	**20%**	

	Note	2015	2014
		--- Rupees ---	

5 INTANGIBLE ASSET

		2015	2014
This represents the cost of (ISE) TREC certificate.		**4,000,000**	4,000,000

6 LONG TERM ADVANCES

	2015	2014
CDC deposits ISE	**100,000**	100,000
NCSS deposits ISE	**100,000**	100,000
Future trading	**25,000**	25,000
ISE clearing house deposit	**300,000**	300,000
	525,000	525,000

7 LONG TERM INVESTMENT

	Note	2015	2014
Shares in Islamabad Stock Exchange Limited (available for sale)	7.1	**30,346,030**	30,346,030

7.1 These represent the shares received from Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE.

Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions.. As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.

7.2 No tax provision has been made on gain on exchange of membership card with TREC, as such gain is exempted from tax under clause 110B of second schedule of Income Tax Ordinance 2001.

8 TRADE RECEIVABLES - UNSECURED

	2015	2014
Considered Good	**7,742,309**	7,600,490
Considered doubtful	**-**	-
	7,742,309	7,600,490
Less : Provision for doubtful debts	**-**	-
	7,742,309	7,600,490

9 ADVANCES & SHORT TERM PREPAYMENTS

	2015	2014
Advance Income Tax	**108,271**	74,639
Advances	**248,900**	203,900
Income tax refundable	**585,607**	567,026
	942,778	845,565

10 CASH AND BANK BALANCES

	2015	2014
Cash in hand	**6,166**	2,286
Cash at banks	**11,358,634**	16,535,854
	11,364,800	16,538,140

11 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

June 30, 2015	June 30, 2014		2015	2014
No. of shares				
4,381,580	**4,381,580**	Ordinary shares of Rs.10/- each fully paid in cash	**43,815,800**	43,815,800
4,381,580	**4,381,580**		**43,815,800**	43,815,800

	Note	2015	2014
		--- Rupees ---	

12 DEFERRED TAX LIABILITY

Credit balance arising on difference between accounting and tax depreciation and unused tax loss.		**1,442,540**	1,768,239

13 TRADE & OTHER PAYABLES

Creditors		**14,133,186**	19,506,729
Other payables		**410,161**	424,152
		14,543,347	19,930,881

14 PROVISION FOR TAXATION

Deferred tax		**(325,699)**	(5,805,396)
Current for the year		**63,621**	40,802
		(262,079)	(5,764,594)

15 CONTINGENCIES AND COMMITMENTS

There is no contingencies and commitments at the balance sheet date.

16 REVENUE

Brokerage Income		**4,618,408**	4,080,241
		4,618,408	4,080,241

17 OPERATING EXPENSES

Director remuneration	17.1	**1,698,000**	1,556,500
Staff salaries		**978,000**	1,013,420
Purchases		**1,017,821**	755,850
Electricity and gas charges		**262,271**	288,085
Communication expense		**113,541**	102,929
Postage and courier charges		**15,281**	14,059
Entertainment		**333,392**	229,866
Printing and stationery		**55,645**	43,152
I.S.E Service and Maintenance Charges		**53,699**	88,754
CDC charges		**256,001**	209,898
NCCPL charges		**271,856**	116,394
Insurance charges		**13,112**	13,112
Charity and donation		**2,000**	10,000
Traveling and lodging		**6,800**	6,500
Newspaper and magazine		**4,513**	5,162
Audit fee		**154,530**	67,200
Vehicle running and maintenance		**327,416**	194,682
Repair and maintenance		**35,305**	90,340
Depreciation	4	**1,599,741**	1,791,593
Advertisement		**3,650**	-
Water bills		**4,977**	957
Fee and subscription		**-**	900
ISE Utilities		**173,183**	101,760
Misc. expenses		**36,064**	20,274
		7,416,798	6,721,387

17.1 DIRECTORS' REMUNERATION

Mr. Omer Iqbal Pasha (Chief Executive)		**825,000**	825,000
Mrs. Shazia Omer (Director)		**873,000**	731,500
		1,698,000	1,556,500

	Note	2015	2014
		--- Rupees ---	

18 FINANCE COST

Bank and other charges	9,686	10,160

19 OTHER INCOME

CDC Conversion charges	921,752	1,008,405
Profit on deposit	821,910	517,129
Gain on exchange of assets	-	-
	1,743,662	1,525,534

20 BASIC EARNING / (LOSS) PER SHARE

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

Profit / (Loss) after taxation	(802,335)	4,638,822
Weighted average number of Ordinary shares	4,381,580	4,381,580
Earning / (Loss) per share (Rupees)	(0.18)	1.06

21 Related party transactions

Nature of relationship

The related parties include chief executive and directors of the company.
There is no other relates party transaction except stated in 17.1

22 FINANCIAL RISK MANAGEMENT

22.1 *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

22.2 *Financial assets and liabilities by category and their respective maturities*

Financial Asset

	June 30, 2015	
Long term deposits	525,000	525,000
Trade debts - unsecured & considered good	7,742,309	7,600,490
Long term investment	30,346,030	30,346,030
Bank balance	11,358,634	16,535,854
Total	49,971,973	55,007,374

Except long term deposits and long term investments none of the above financial assets had maturity above than 1 year.

Financial Liability

	June 30, 2015	
Trade & other payables	14,543,347	19,930,881
Total	14,543,347	19,930,881

None of the above financial liabilities had maturity above than 1 year.

22.3 *Fair Values*

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value except for loan from director which is stated at cost.

22.4 *Financial Risk Factors*

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

22.5 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diversê credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Credit risk of the Company arises form deposits with banks and financial institutions, trade debts and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. the management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

The carrying amount of financial assets represent the maximum credit exposure, as specified below;

Financial Asset	**June 30, 2015**	
Long term deposits	**525,000**	525,000
Trade debts - unsecured & considered good	**7,742,309**	7,600,490
Long term investment	**30,346,030**	30,346,030
Bank balances	**11,358,634**	16,535,854
Total	**49,971,973**	55,007,374

22.6 **LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of the financial liabilities;

Financial Liability	**June 30, 2015**	
Trade & other payables (Maturity within 1 Year)	**14,543,347**	19,930,881
Total	**14,543,347**	19,930,881

22.7 **MARKET RISK**

Market risk means that fair value of future cash flows of a financial instrument with fluctuate because of changes in market prices such as, foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest rate risk and price risk. The market risk associated with the company's business activities are discussed as under:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The Company is not exposed to interest rate risk as it has no interest bearing borrowings.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is not exposed to equity price risk since it has no investments in quoted equity securities.

23 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors on October 04, 2015.

24 GENERAL

Figures have been rounded off to the nearest rupee.

OCTOBER 04, 2015 **CHIEF EXECUTIVE** **DIRECTOR**