

**LSE FINANCIAL SERVICES  
LIMITED  
(FORMERLY: LAHORE STOCK  
EXCHANGE LIMITED)**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED JUNE 30, 2016**



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of LSE Financial Services Limited (Formerly: Lahore Stock Exchange Limited) ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, 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 misstatement. 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 and profit and 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 accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

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- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, 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 June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

A handwritten signature in black ink, appearing to read 'Hammad Ali Ahmad'.

**Chartered Accountants**

**Engagement Partner:** Hammad Ali Ahmad

**Lahore**

**Date:** October 06, 2016

**LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)  
BALANCE SHEET AS AT JUNE 30, 2016**

	Note	2016 (Rupees in thousand)	2015 (Rupees in thousand)		Note	2016 (Rupees in thousand)	2015 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
Authorised capital 200,000,000 (2015: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000	Property and equipment	12	1,608,543	762,710
Issued, subscribed and paid-up capital 128,284,200 (2015: 128,284,200) ordinary shares of Rs. 10 each	5	1,282,842	1,282,842	Intangible assets	13	456	772
Unappropriated profit		1,487,244	1,509,115	Long term investments	14	600,165	540,873
				Long term loans	15	-	12,682
				Long term deposits	16	2,105	2,105
				Deferred taxation	17	-	4,544
Surplus on revaluation of property and equipment	6	776,324	57,807			2,211,269	1,323,686
<b>NON-CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long term liabilities	7	221,995	250,557	Stores	18	1,956	1,376
Deferred liabilities	8	-	5,541	Trade receivables	19	10,657	22,868
Long term finances	9	200,000	200,000	Loans and advances	20	15,926	41,284
Deferred taxation	17	480,455	456,097	Short term prepayments	21	3,933	19,003
				Other receivables	22	41,572	14,587
				Short term investments	23	486,800	439,624
				Tax refunds due from the Government		37,282	32,628
				Cash and bank balances		86,851	243,909
Trade and other payables	10	122,811	109,829			684,977	815,279
Current portion of long term deposits		130,746	118,362				
Liabilities from discontinued operations/held for sale	32	24,733	23,003	Assets from discontinued operations/held for sale	32	3,256	25,419
<b>CONTINGENCIES AND COMMITMENTS</b>						<u>2,899,502</u>	<u>2,164,384</u>
	11	<u>2,899,502</u>	<u>2,164,384</u>				

The annexed notes 1 to 43 form an integral part of these financial statements.

*W.A.*  
Managing Director

*Q. S. I. S. I.*  
Director

Director



LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)  
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

		(Re-presented)	
	Note	2016 (Rupees in thousand)	2015
<b>Continuing Operations</b>			
Software revenue	24	1,055	954
Rental income	25	45,214	44,243
Profit on bank deposits and investments	26	42,957	45,107
Other income	27	20,938	24,268
		<u>110,164</u>	<u>114,572</u>
Administrative expenses	28	(52,271)	(67,053)
Other charges	29	(19,419)	(3,602)
<b>Profit from operations</b>		<u>38,474</u>	<u>43,917</u>
Finance cost	30	(120)	(133)
Share of Profit of Associates - net of tax		88,296	93,082
Profit before tax from continuing operations		<u>126,650</u>	<u>136,865</u>
Taxation	31	(59,705)	(42,917)
<b>Profit after tax from continuing operations</b>		<u>66,944</u>	<u>93,948</u>
<b>Discontinuing operations</b>			
Profit after tax from discontinued operations	32	12,227	64,180
<b>Profit for the year</b>		<u>79,171</u>	<u>158,128</u>
<b>Earnings per share</b>			
-Continuing operations	33	0.52	0.73
-Discontinuing operations		0.10	0.50
		<u>0.62</u>	<u>1.23</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
 Managing Director

  
 Director

  
 Director

**LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016**

Note	2016 (Rupees in thousand)	2015
Profit for the year	79,171	158,128
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit obligation - net of tax	-	82
<b>Items that are or may be subsequently reclassified to profit or loss:</b>		
Fair value gain on 'available for sale' investments - net of tax	(1,105)	1,105
Reversal of related deferred tax	(520)	-
Share of the comprehensive income of equity-accounted investees in respect of gain on revaluation of 'available for sale' investments - net of tax	(5,263)	1,510
	(6,888)	2,697
	<u>72,283</u>	<u>160,825</u>
<b>Total comprehensive income for the year arises from :</b>		
Continuing Operations	60,056	96,645
Discontinued Operations	12,227	64,180
	<u>72,283</u>	<u>160,825</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
 Managing Director


  
 Director

  
 Director

**LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016**

	Share capital	Capital Reserve	Un-appropriated profit	Total
	(Rupees in thousand)			
<b>Balance as at June 30, 2014</b>	1,282,842	(4,180)	154,136	1,432,798
Final dividend for the year ended June 30, 2014 - Rs 0.42 per share			(53,879)	(53,879)
Profit for the year	-	-	158,128	158,128
Other comprehensive income	-	2,615	82	2,697
Total comprehensive income for the year	-	2,615	158,211	160,825
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	1,442	1,442
Interim dividend for the year ended June 30, 2015 - Rs 0.25 per share	-	-	(32,071)	(32,071)
<b>Balance as at June 30, 2015</b>	<b>1,282,842</b>	<b>(1,565)</b>	<b>227,838</b>	<b>1,509,114</b>
Profit for the year	-	-	79,171	79,171.16
Other comprehensive income	-	(6,888)	-	(6,888)
Total comprehensive income for the year	-	(6,888)	79,171	72,283
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	2,060	2,060
Cash dividend paid (Rs.0.75 per share)	-	-	(96,213)	(96,213)
<b>Balance as at June 30, 2016</b>	<b>1,282,842</b>	<b>(8,453)</b>	<b>212,856</b>	<b>1,487,244</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
**Managing Director**

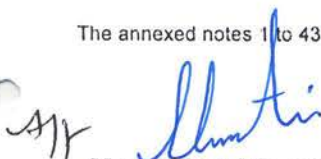
  
**Director**

  
**Director**

**LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016 (Rupees in thousand)	2015
<b>Cash flows from operating activities</b>			
Profit before tax		142,754	219,732
<b>Adjustments for:</b>			
Depreciation		12,080	10,642
Amortisation of intangibles		316	530
Share of profit of associates		(88,296)	(93,082)
Provision for earned leaves		407	991
Profit on bank deposits and investments		(42,958)	(47,347)
Lease rentals		(23,125)	(30,762)
Loss/(gain) on disposal of property and equipment		436	(337)
Employee welfare fund		427	1,000
Provision against fee receivable		-	13,319
Provision against due from others		-	4,936
Provision for Receivable Member		2,135	-
Write off of advance paid to Facilities Management Company Limited		13,537	-
Software written off		-	3,750
Finance cost		120	137
<b>Profit before working capital changes</b>		(124,921)	(134,961)
<b>Increase in working capital</b>	34	16,750	44,865
(Payments)/ receipts in respect of:		34,583	129,636
Long term deposits		(8,013)	78,488
Retention money		3,351	864
Loans to executives - net		12,682	(844)
		8,021	78,508
<b>Net cash generated from operations</b>		42,604	208,144
Employee welfare fund		(1,250)	(1,279)
Earned leaves paid		(1,952)	-
Gratuity Paid		(5,630)	-
Finance cost paid		(120)	(137)
Taxes paid		(24,057)	(11,026)
<b>Net cash generated from / (used in) operating activities</b>		9,594	195,702
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(127,409)	(106,100)
Proceeds from sale of property and equipment		3,880	1,303
Long term investment matured during the year		81,624	-
Long term investment made during the year		(131,835)	(97,578)
Short term investments matured during the year		-	985,683
Short term investments made during the year		(47,176)	(1,159,903)
Profit received on bank deposits		44,365	43,691
Dividend received		73,952	46,630
<b>Net cash (used in)/ generated from investing activities</b>		(102,600)	(286,274)
<b>Cash flows from financing activities</b>			
Long term finances obtained during the year		-	200,000
Dividend paid		(89,473)	(78,928)
<b>Net cash generated from / (used in) financing activities</b>		(89,473)	121,072
<b>Net increase / (decrease) in cash and cash equivalents</b>		(182,478)	30,500
<b>Cash and cash equivalents at the beginning of the year</b>		269,329	238,829
<b>Cash and cash equivalents at the end of the year</b>	23	86,851	269,329
Cash flow from discontinued operations	32		

The annexed notes 1 to 43 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Director**



# LSE FINANCIAL SERVICES LIMITED (FORMERLY: LAHORE STOCK EXCHANGE LIMITED)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 1 Legal status and nature of business

Lahore Stock Exchange Limited ("the Company") was incorporated under the Companies Act, 1913 (now the Companies Ordinance, 1984) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as a Non-Banking Finance Company (NBFC) under the name LSE Financial Services Limited.

Prior to cessation of the stock exchange operations, the Company was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, modaraba certificates, pre-organization certificates and securities, stocks, bonds, debentures, debenture stocks, Government papers, loans and any other instruments and securities of like nature including but not limited to special national fund bonds and documents of a similar nature issued by the Government of Pakistan or any institution or agency authorized by it.

#### 1.1 Discontinuing Operations

During the year, the Company entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Pursuant to the MoU, the Board of Directors of the Company approved a scheme of integration on September 23, 2015. The scheme was approved by the members of the Company in extraordinary general meeting held on October 28, 2015 for submission to the Commission. As per the MoU and the proposed scheme of integration, only stock exchange operations were transferred into the Pakistan Stock Exchange Limited and the Trading Rights Entitlement Certificate (TREC) Holders of the Lahore Stock Exchange had become TREC Holders of PSX under the scheme of integration. The Commission approved the application of the Company to change its name from Lahore Stock Exchange Limited to 'LSE Financial Services Limited' and Company ceased to exist as stock exchange. Company was granted license to carry out Investment Finance Services as a NBFC on January 11, 2016.

Consequent to the discontinued stock exchange operations of the Company, the relevant assets and liabilities relating to such operations have been classified as discontinued operations in accordance with IFRS 5 - 'Non current assets held for sale and discontinued operations and have been disclosed in note 32 to these financial statements, and the profit and loss account and respective notes have been represented accordingly.

### 2 Basis of preparation

2.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the said directives shall prevail.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments. Consequently, these financial statements have been prepared under the historical cost convention as explained in note 3.

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## 2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

### 2.2.1 Standards, amendments to published standards and interpretations effective in current year

#### Standards or Interpretation

There are no standards, amendments and interpretations to existing standards that are becoming effective in current year and applicable / relevant to the Company's operations.

### 2.2.2 Standards, amendments and interpretations to existing standards effective in current year but not applicable / relevant to the Company's operations

#### Standards or Interpretation

	Effective Date (annual periods beginning on or after)
IFRS 10, 'Consolidated financial statements'	January 1, 2015
IFRS 11, 'Joint arrangements'	January 1, 2015
IFRS 12, 'Disclosure of interests in other entities'	January 1, 2015
IFRS 13 (Amendment), 'Fair Value measurement' on scope of portfolio exception	January 1, 2015

### 2.2.3 Standards, amendments and interpretation to existing standards that are not yet effective but applicable / relevant to the Company's operations

	Effective Date (accounting periods beginning on or after)
- IAS 1 (Amendment), 'Presentation of financial statements' on disclosure initiative	January 1, 2016
- IAS 16 and 38 (Amendment), 'Property, plant and equipment' and 'Intangibles' on acceptable methods of depreciation and amortization	January 1, 2016

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**2.2.4 Standards, amendments and interpretations to existing standards that are not yet effective and not applicable / relevant to the Company's operations**

	<b>Effective date (annual periods beginning on or after)</b>
IAS 27 (Amendment), 'Separate financial statements' on application of equity method in separate financial statements	January 1, 2016
IAS 41 (Amendment), 'Agriculture' on bearer plants	January 1, 2016
IFRS 10, 12 and IAS 28 (Amendment), on exception to consolidation for investment entities	January 1, 2016
IFRS 10 and IAS 28 (Amendment), on sale or contribution of assets between an Investor and its associate or joint venture	January 1, 2016
IFRS 11 (Amendment), 'Joint arrangements' on acquisition of interest in joint operations	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Annual improvements 2014; IFRS 5, 'Non-current assets held for sale and discontinued operations'. IFRS 7, 'Financial instruments: disclosures'. IAS 19, 'Employee benefits'. IAS 34, 'Interim financial reporting'	January 1, 2016
IAS 7 (Amendment), 'Statement of cash flows' disclosure initiative	January 1, 2017
IAS 12 (Amendments), 'Income taxes' on recognition of deferred tax assets for unrealized losses	January 1, 2017
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts'	January 1, 2018
IFRS 2 (Amendments), 'Share-based payment'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019

**3 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for property and equipment which are stated at fair value and obligations in respect of gratuity schemes which are measured at present value.

The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement or estimation involved in their application and their impact on these financial statements. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgements involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgements or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

**a) Provision for taxation**

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**b) Useful life and residual values of property and equipment**

The Company reviews the useful lives of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

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## 4 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1 Taxation

#### Current

Provision of 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 are recognized to the extent that it is probable that taxable profits will be available against which 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 income statement, except in the case of items credited or charged to equity in which case it is included in equity.

### 4.2 Property and equipment

All property and equipment except land and building are stated at cost less accumulated depreciation and any identified impairment loss, if any, except for land and building which are stated at revalued amount, being the fair value at the date of their revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on all property and equipment is charged to profit and loss account on the reducing balance method so as to write off the depreciable amount of an asset over the economic useful life using the annual rates mentioned in note 12.1 after taking their residual values into account.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property and equipment as at June 30, 2016 has not required any adjustment.

Depreciation on additions to property and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

Surplus on revaluation is credited to the surplus on revaluation of property and equipment account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value.

The Company assesses at each balance sheet date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The gain or loss on disposal or retirement of an asset, represented by difference between the sale proceeds and the carrying amount of the asset, is recognized as income or expense.

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#### 4.3 Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost including, where relevant, related financing costs less identified impairment losses, if any.

#### 4.4 Intangible assets

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 13.

Amortisation on additions to intangible assets is charged from the month in which an asset is acquired or capitalized, while no amortization is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

#### 4.5 Stores and spares

Usable stores and spares are valued principally on first in first out basis, while items considered obsolete are carried at nil value.

#### 4.6 Financial instruments

##### 4.6.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

##### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

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## Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss account. Financial assets carried at fair value through profit and loss account are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of other income when the Company's right to receive payments is established.

Changes in the fair value of securities classified as 'available-for-sale' are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company determines the fair value of financial assets using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

### 4.6.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability and the difference in respective carrying amounts is recognized in the profit and loss account.

### 4.7 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

### 4.8 Long term loans and deposits

Loans and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the balance sheet date. Initially they are recognized at fair value and subsequently stated at amortized cost.

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#### **4.9 Trade receivables**

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

#### **4.10 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, 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 and finances under mark-up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.

#### **4.11 Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

#### **4.12 Trade and other payables**

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received, whether or not billed to the Company.

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

#### **4.13 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 Company operates (the functional currency). The financial statements are presented in Pak Rupees (PKR), which is the Company's functional and presentation currency.

#### **4.14 Transactions and balances**

Foreign currency transactions are translated into PKR using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

#### **4.15 Borrowing costs**

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the related property and equipment, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to income.

APX

#### 4.16 Non-current assets held for sale / discontinued operations

Non-current assets are classified as held for sale / disposal if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable.

The Company measures its non-current assets classified as held for sale / disposal at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

#### 4.17 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable on the following basis:

- Income from initial listing fee was recognized when the securities were initially listed on the ready board. Income from annual listing fee was recognized on an accrual basis over a 12 month period commencing from July to June in each financial year. Income from additional listing was booked when companies announce bonus or right or specie dividends; in case of right issues at discount income was booked when approval was granted by the SECP for issuance of right shares. Income from this head has been discontinued.
- Income in respect of trading by members in ready and future counter was recognized when the transaction takes place as per trade date accounting practices. Income from this head has been discontinued.
- Rental income, facilities and equipment fee, non-operating facilities income and membership fee are recognized on accrual basis while other fees are recognized when received.
- Investments purchased at premium or discount, are amortized through the profit and loss account using the effective interest rate method.
- Income from investments and bank accounts is recognized on an accrual basis.
- Dividend income is recognized when the Company's right to receive payment is established.
- For revenue arising from the rendering of services relating to software sales (provided that all of the criteria mentioned above are met) revenue was recognized by reference to the stage of completion of the transaction at the Balance sheet date.

#### 4.18 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved.

### 5 Issued, subscribed and paid up capital

#### 5.1 Authorized share capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs. 10/- each	<u>2,000,000</u>	<u>2,000,000</u>

A/S



5.2 Issued, subscribed and paid-up capital

June 30, 2016 (Number of shares)	June 30, 2015	Ordinary shares of Rs. 10/- each issued for consideration other than cash	June 30, 2016 (Rupees in thousand)	June 30, 2015 (Rupees in thousand)
128,284,200	128,284,200	- note 5.3	1,282,842	1,282,842

5.3 On August 15, 2012, in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 ("The Act"), 128,284,200 shares were allotted to the initial share holders of the Company.

These shares are blocked under the Non Banking Finance Companies (NBFC) Rules, 2003.

5.4 No associated undertaking holds any share in the Company.

6 Surplus on revaluation of property and equipment

	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Balance as at July 01	57,807	59,249
Revaluation during the year	739,293	-
Impact of deferred tax due to revaluation of property and equipment	(18,716)	-
	720,577	-
Surplus transferred to other comprehensive income for the year on account of incremental depreciation - net of tax	(2,060)	(1,442)
Balance as at June 30	776,324	57,807

7 Long term liabilities

Advances for lease of building rooms	-note 7.1	16,902	17,065
Advances for South Tower	-note 7.2	195,931	176,700
Security deposits	-note 7.3	672	51,653
Retention money		8,490	5,139
		221,995	250,557

7.1 Advances for lease of building rooms

Advances for lease from members	-note 7.1.1	16,902	17,065
Advances for lease from tenants	-note 7.1.2	-	-
		16,902	17,065

7.1.1 Movement of advances for lease from members

Opening balance	17,283	17,501
Less: credited to profit and loss account during the year	163	218
	17,120	17,283
Less: current portion of long term liabilities	218	218
	16,902	17,065

Tenure of lease term is 99 years.

5/11

2016                      2015  
(Rupees in thousand)

**7.1.2 Movement of advances for lease from tenants**

Opening Balance		8,315	14,731
Add: Deposits received during the year	-note 7.1.4	22,364	24,128
		<u>30,679</u>	<u>38,859</u>
Less: credited to profit and loss account during the year		22,962	30,544
		<u>7,717</u>	<u>8,315</u>
Less: current portion of long term liabilities		7,717	8,315
		<u>-</u>	<u>-</u>

**7.1.3** Tenure of lease term with tenants ranges from one to three years.

**7.1.4** Tenants deposits include deposits received from National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC), associated undertakings, amounting to Rs. 0.453 million and nil (2015: Rs. 1.361 million and Rs. 0.787 million) respectively against the offices rented out to these companies.

**7.2 Advances for South Tower**

The members of the Company in their General Meeting held on December 14, 2012 decided to start the construction of South Tower. For the said purpose Rs. 22.88 million (2015: 51.070 million) were collected from the members during the year.

2016                      2015  
(Rupees in thousand)

**7.3 Security deposits**

Deposits received against:			
- clearing house		-	48,331
- furnished rooms		-	2,650
- others		672	672
		<u>672</u>	<u>51,653</u>

**7.3.1** These interest free deposits have been received from members of the Company for clearing house operations which were discontinued during the year. Total value of securities, pledged as margins against the exposures taken by the members is Rs. 20.509 million (2015: Rs. 101.873 million) and the deposits of the clearing house were refunded. These have been transferred to current liabilities.

**7.3.2** These interest free deposits have been received from members of the Company as security against furnished rooms provided to them at Faisalabad and Sialkot trading floors. These have been transferred to current liabilities.

2016                      2015  
(Rupees in thousand)

**8 Deferred liabilities**

Gratuity scheme	-note 8.1	-	3,996
Provision for earned leaves	-note 8.2	-	1,545
		<u>-</u>	<u>5,541</u>

*AS*

		2016	2015
		(Rupees in thousand)	
<b>8.1</b>	<b>Gratuity scheme</b>		
<b>8.1.1</b>	The amounts recognized in the balance sheet are as follows:		
	Present value of defined benefit obligation	-note 8.1.3	-                      3,996
<b>8.1.2</b>	Change in present value of net staff gratuity		
	Liability as at July 01	3,996	2,855
	Charge to profit and loss account during the year	1,634	1,262
	Charge to Other Comprehensive Income (OCI) during the year	-	(121)
	Payments made during the year	(5,630)	-
	Liability as at June 30	-	3,996
<b>8.1.3</b>	Movement in the present value of defined benefit obligation:		
	Present value of defined benefit obligation as at July 01	3,996	2,855
	Current service cost	-note 8.1.4	1,634                      876
	Interest cost for the year	-	386
	Benefits paid during the year	(5,630)	-
	Remeasurement of plan charged to OCI	-note 8.1.5	-
	Present value of defined benefit obligation as at June 30	-	(121)
<b>8.1.4</b>	The amounts recognized in the profit and loss account are as follows:		
	Current service cost	1,634	876
	Interest cost for the year	-	386
		1,634	1,262
<b>8.1.5</b>	The amount recognized in other comprehensive income		
	Remeasurement of plan obligation from:		
	- Experience on obligation	-	(121)
<b>8.1.6</b>	Expected contribution for next year		
	Current service cost	-	933
	Interest cost on defined benefit obligation	-	386
		-	1,319
<b>8.1.7</b>	The principal actuarial assumptions at the reporting date were as follows:		
	- Discount rate used for interest cost in profit or loss	13.5%	13.5%
	- Discount rate used for year end obligation	9.75%	9.75%
	- Expected increase in eligible salary	8.75%	8.75%
	- Retirement assumption	Age 60	Age 60

**Mortality rate**

Mortality of active employees is represented by the State Life Insurance Corporation (2001-2005) Mortality Table with One year setback.

*Handwritten initials*



### 8.1.8 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2016			2015		
	Impact on defined benefit obligation			Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	% age	(Rupees in thousand)		% age	(Rupees in thousand)	
Discount rate	1%	-	-	1%	3,649	4,383
Salary growth rate	1%	-	-	1%	4,387	3,639

### 8.1.9 Historical information for gratuity plan

	2016	2015	2014	2013
	(Rupees in thousand)			
Present value of defined benefit obligation	-	3,996	2,855	1,770
Experience adjustment on obligation	-	(121)	1,357	-

### 8.2 Provision for earned leaves

	2016	2015
	(Rupees in thousand)	
Opening balance		553
Expense for the year		992
Payments made during the year	(1,952)	-
Closing balance	-	1,545

The service contract of Ex-Managing Director entitled him for leave encashment of 30 days, for each year, which accumulated for 2 years and the same was adjusted in the final settlement of Ex-Managing Director upon his resignation.

*SP*



9 Long term finances

2016  
(Rupees in thousand)      2015

- Loan from commercial banks - secured -note 9.1 200,000 200,000

9.1 Loan from commercial banks - secured

The Company obtained the loan from the commercial banks amounting to Rs. 200 million (2015: 200 million) for construction of South Tower.

Note	Lender	Amount of loan outstanding (Rupees in thousand)	Rate of Interest / Mark-up	Number of Installments for principal repayments	Interest/ Mark-up Payable
- 9.1.1	Bank Al-Habib Limited	100,000	6 monthly KIBOR + 0.5%	14 equal installments starting from November 30, 2018	Semi annually
- 9.1.2	MCB Bank Limited	100,000	3 monthly KIBOR + 0.5%	28 equal installments starting from March 03, 2018	Quarterly
	Total	<u>200,000</u>			

9.1.1 A facility of Rs. 100 million (2015: 100 million) has been obtained secured against liquid security in shape of lien over Treasury Bills amounting Rs. 120 million (2015: 120 million) held with Bank Al-Habib Limited.

9.1.2 A facility of Rs. 100 million (2015: 100 million) has been obtained secured against liquid security in shape of lien over Treasury Bills amounting to Rs. 140 million (2015: 140 million) to be held with MCB Bank Limited's treasury.

10 Trade and other payables

2016  
(Rupees in thousand)      2015

Creditors		38,089	36,443
Due to members		29,268	7,159
Defaulted members' membership sale proceeds	-note 10.1	34,534	30,047
Advances received from members and companies	-note 10.2	1,681	23,316
Retention money		834	1,200
Unclaimed dividend	-note 10.3	18,405	11,664
		<u>122,811</u>	<u>109,829</u>

10.1 This represents amounts realized through auctions of the defaulted members' memberships and have been retained by the Company for settlement of claims against these members.

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		2016	2015	
		(Rupees in thousand)		
<b>12</b>	<b>Property and equipment</b>			
	Property and equipment	-note 12.1	1,244,397	479,062
	Capital work-in-progress	-note 12.2	364,146	283,648
			<u>1,608,543</u>	<u>762,710</u>
<b>12.2</b>	<b>Capital work-in-progress</b>			
	Civil Works	-note 12.2.1	336,075	235,596
	Advances	-note 12.2.2	12,671	47,889
	Borrowing Cost	-note 12.2.3	15,400	163
			<u>364,146</u>	<u>283,648</u>
<b>12.2.1</b>	<b>Civil works</b>			
	Civil works		343,773	243,294
	Less: provision against civil works		7,698	7,698
			<u>336,075</u>	<u>235,596</u>
<b>12.2.2</b>	<b>Advances</b>			
	- Considered good		12,671	47,889
	- Considered doubtful		277	277
			<u>12,948</u>	<u>48,166</u>
	Less: Provision for doubtful advances		277	277
			<u>12,671</u>	<u>47,889</u>
	<b>Provision for doubtful advances</b>			
	Opening balance as at July 1		277	14,003
	Add: Provision for the year		-	-
			<u>277</u>	<u>14,003</u>
	Less: Advances written off		-	-
	Less: Provision reversed during the year		-	13,726
	Closing balance as at June 30		<u>277</u>	<u>277</u>

**12.2.3** Borrowing cost on long term facilities obtained from Bank Al-Habib Limited and MCB Bank Limited is being capitalized. Rate of interest on such loans is 7.29% (2015: 9.5%) and 7.25% (2015: 9.7%) respectively.

		2016	2015
		(Rupees in thousand)	
<b>13</b>	<b>Intangibles - Computer software and licenses</b>		
	<b>Net Carrying Value Basis - Year ended June 30, 2016</b>		
	Opening net book value (NBV)	772	138
	Additions (at cost)	-	2,448
	Amortisation charge	(316)	(530)
	Asset written off (at NBV)	-	(1,284)
	Closing Net Book Value (NBV)	<u>456</u>	<u>772</u>
	<b>Gross Carrying Value basis - As at June 30, 2016</b>		
	Cost	18,139	18,449
	Less: Accumulated Amortisation	17,683	17,677
	Net Book Value (NBV)	<u>456</u>	<u>772</u>
	Amortisation rate % per annum	<u>33%</u>	<u>33%</u>

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	Land freehold	Building on freehold land	Computer and accessories	Furniture and fixture	Office equipment	Electric fittings and appliances	Vehicles	Elevator	Generator	Arms and security equipments	Library books	Leasedhold improvements	Total
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Net Carrying Value Basis

	Rupees in Thousand												
Year ended June 30, 2016													
Opening net book value (NBV)	382,715	51,595	13,588	5,327	1,554	5,767	4,747	360	4,663	730	15	-	479,062
Revaluation surplus	675,874	25,545	-	-	-	-	-	-	-	-	-	-	701,419
Additions (at cost)	-	6,185	2,154	2,980	1,312	9,314	-	-	24,141	-	-	-	46,906
Transferred to owned assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals (at NBV)	-	-	(992)	(26)	(180)	-	(3,418)	-	-	-	-	-	(4,316)
Assets related to discontinued operations	-	-	(3,256)	-	-	-	-	-	-	-	-	-	(3,256)
Depreciation Reversal	-	36,662	-	-	-	-	-	-	-	-	-	-	36,662
Depreciation charge	-	(2,780)	(3,938)	(751)	(311)	(2,470)	(812)	(72)	(659)	(73)	(4)	-	(12,080)
Closing net book value (NBV)	1,058,590	129,207	5,656	7,530	1,195	12,611	517	288	27,935	757	11	-	1,244,397
Gross carrying value basis	-	(39,442)	(71,419)	(9,450)	(6,220)	(20,233)	(4,039)	(4,860)	(6,815)	(2,216)	(307)	(5,637)	(170,718)

As at June 30, 2016

Cost	1,058,590	131,987	71,925	14,105	7,385	32,815	2,076	5,168	34,750	2,973	318	5,697	1,367,689
Accumulated depreciation	-	(2,780)	(63,069)	(6,575)	(5,190)	(20,204)	(1,559)	(4,880)	(6,815)	(2,216)	(307)	(5,697)	(123,292)
Net book value (NBV)	1,058,590	129,207	5,656	7,530	1,195	12,611	517	288	27,935	757	11	-	1,244,397

Depreciation rate % per annum

Net Carrying Value Basis

Year ended June 30, 2015													
Opening net book value (NBV)	382,716	51,586	13,537	4,760	1,255	5,734	6,222	365	5,181	352	20	-	471,708
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions (at cost)	-	-	5,368	1,176	762	1,382	115	72	-	431	-	-	9,306
Transferred to owned assets	-	12,922	(298)	-	-	(85)	(338)	-	-	-	-	-	12,922
Disposals (at NBV)	-	-	(3,265)	-	-	-	-	-	-	-	-	-	(967)
Assets related to discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	(3,265)
Depreciation charge	-	(2,853)	(3,754)	(516)	(310)	(1,264)	(1,252)	(77)	(516)	(53)	(5)	-	(10,642)
Closing net book value (NBV)	382,715	61,595	11,538	5,327	1,554	5,767	4,747	360	4,663	730	15	-	479,062

Gross carrying value basis

As at June 30, 2015

Cost	382,715	98,257	79,069	14,026	7,463	23,530	7,974	5,168	10,609	2,373	318	5,697	637,700
Accumulated depreciation	-	(36,662)	(67,481)	(8,699)	(5,909)	(17,763)	(3,227)	(4,808)	(5,946)	(2,143)	(303)	(5,697)	(158,638)
Net book value (NBV)	382,715	61,595	11,588	5,327	1,554	5,767	4,747	360	4,663	730	15	-	479,062

Depreciation rate % per annum

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5%	30%	10%	20%	20%	20%	20%	10%	10%	25%	20%
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14 Long term investments

Equity-accounted investees - unquoted  
Available for sale investment

-note 14.1  
-note 14.2

2016  
(Rupees in thousand)

2015

600,165	459,249
-	81,624
600,165	540,873

14.1 Equity-accounted investees - unquoted

Name of associated companies

The Pakistan Credit Rating Agency Limited (PACRA)  
Central Depository Company of Pakistan Limited (CDC)  
National Clearing Company of Pakistan Limited (NCCPL)  
Pakistan Mercantile Exchange Limited (PMEX)

2016  
(Percentage of holding)

2015  
(Rupees in thousand)

36.00	36.00	2,683,044	2,683,044	46,408	42,832
10.00	10.00	6,500,000	6,500,000	283,535	259,977
23.53	23.53	11,865,231	5,273,436	270,223	156,440
7.25	8.24	2,272,727	2,272,727	-	-

14.1.1 Shares of all associated companies have a face value of Rs. 10 each.

600,166  
459,249

14.1.2 The investments stand at nil value in PMEX because the accumulated share of loss of these associated companies exceeds the cost of investment.

14.1.3 During the year NCCPL offered right shares which were subscribed by the entity at Rs. 20 per share amounting to Rs 131,836 million (2015: Rs 17,578 million).

14.1.4 During the year, the preference shares and the accrued unpaid dividend thereon were converted into ordinary shares which was not subscribed by the company. Due to this, the shareholding of the company in PMEX has been reduced from 8.24% to 7.25%.

14.1.5 Movement in carrying amount of equity-accounted investees

Opening balance	Further investment	Transfer from revaluation reserve to retained earnings	Share of income for the year - net of tax	Change in other comprehensive income	Revaluation reserve	Dividend received	Closing balance
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(Rupees in thousand)

The Pakistan Credit Rating Agency Limited (PACRA)

- For the year ended June 30, 2016	42,832	-	-	8,916	26	(5,366)	46,408
- For the year ended June 30, 2015	41,810	-	-	7,187	(127)	(6,038)	42,832

Central Depository Company of Pakistan Limited (CDC)

- For the year ended June 30, 2016	259,977	-	1,257	46,921	(2,238)	(21,125)	283,535
- For the year ended June 30, 2015	235,164	-	890	43,174	1,137	(19,498)	259,977

National Clearing Company of Pakistan Limited (NCCPL)

- For the year ended June 30, 2016	156,440	131,836	-	32,458	(3,051)	(47,461)	270,223
- For the year ended June 30, 2015	116,735	17,578	-	42,721	500	(21,094)	156,440

Total

- For the year ended 30 June 2016	459,249	131,836	1,257	88,296	(5,263)	(73,952)	600,166
- For the year ended 30 June 2015	393,709	17,578	890	93,082	1,510	(46,530)	459,249

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	2016 (Number of units)	2015	2016 (Rupees in thousand)	2015 (Rupees in thousand)
<b>14.2 Available for sale investment</b>				
NBP Fullerton Asset (NAFA) Mutual Fund	-	7,061,534	-	81,624,274

		2016 (Rupees in thousand)	2015 (Rupees in thousand)
<b>15 Long term loans</b>			
<b>Secured - considered good:</b>			
Loans to executives	-note 15.1 & 15.2	-	15,473
Less: current portion of loans to executives	-note 19	-	2,791
		-	12,682

<b>15.1 Reconciliation of carrying amount of loans to executives:</b>			
Opening balance		15,473	14,450
Disbursements during the year		-	3,549
Recovery / deduction during the year		(15,473)	(2,526)
Closing balance		-	15,473

**15.2** This represents loans to executives of the Company for construction of house and expenses on medical treatment as per the policy of the Company.

During financial year 2014, loan amounting to Rs. 15 million was disbursed to Managing Director of the Company for construction of house. The loan was re-payable in 60 equal instalments and carrying a mark-up of 10% per annum. During the current year this loan was fully settled with the final settlement of the Managing Director, who resigned during the year.

**16 Long term deposits**

These represent security deposits given to Companies against provision of utilities and services amounting to Rs. 0.384 million (2015 : Rs. 0.384 million) and security deposits against trading floors in Sialkot and Faisalabad, amounting to Rs. 1.721 million (2015: Rs. 1.721 million).

	2016 (Rupees in thousand)	2015 (Rupees in thousand)
<b>17 Deferred taxation</b>		
The liability/ asset for deferred taxation comprises of timing differences relating to:		
Accelerated tax depreciation allowances	(9,940)	(10,615)
Deferred tax liability due to revaluation of building	(18,877)	-
Investments in associated companies	(48,807)	(38,137)
Available for sale investment	-	(520)
Accelerated tax amortization	8	434
Staff retirement benefit - gratuity	-	2,241
Staff retirement benefit - earned leaves	-	859
Provision for LFA	186	-
Employee Welfare Fund	75	-
Provision for doubtful receivables	-	47,730
Provision for advances related to Capital Work in Progress	2,393	2,552
Unused tax losses and tax credits	16,502	-
	(58,460)	4,544

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		2016	2015
		(Rupees in thousand)	
<b>18</b>	<b>Trade receivables</b>		
	<b>Unsecured - considered good</b>		
	Listing fee	-note 18.1	- 1,037
	<b>Secured - considered good</b>		
	Fund management fee	-note 27.1	10,657 21,831
			<u>10,657</u> <u>22,868</u>
<b>18.1</b>	<b>Listing fee</b>		
	Fee receivable from the listed companies - considered good		1,037 1,037
	Fee receivable from the listed companies - considered doubtful	-note 18.2	- 147,804
			<u>1,037</u> <u>148,841</u>
	Less: provision made against doubtful receivables		
	- specific		- 147,660
	- general	-note 18.1.1	(1,037) 144
			<u>(1,037)</u> <u>147,804</u>
			<u>-</u> <u>1,037</u>

18.1.1 During the year the listing operations were ceased as per the integration order issued by the SECP and the operations were transferred to PSX. Therefore, the receivable listing fee and its provisions were written off.

		2016	2015
		(Rupees in thousand)	
<b>18.2</b>	<b>Provision for doubtful receivables</b>		
	Opening balance as at July 1		147,804 140,525
	Add: Provision for the year		1,037 13,319
			<u>148,841</u> <u>153,844</u>
	Less: Recoveries against doubtful receivable		(10,946) (6,040)
	Less: Receivables written off		(137,895)
	Closing balance as at June 30		<u>-</u> <u>147,804</u>
<b>19</b>	<b>Loans and advances</b>		
	<b>Considered good</b>		
	Due from associated undertakings	-note 19.1	733 2,093
	Due from members		12,851 11,566
	Due from others		2,004 20,756
	Advances to employees		338 4,078
	Current portion of long term loans to executives		- 2,791
			<u>15,926</u> <u>41,284</u>

19.1 Due from associated undertakings includes balances of Rs. 0.48 million (2015: Rs. 1.224 million), Rs. 0.07 million (2015: Rs. 0.169 million) and Rs. 0.19 million (2015: Rs. 0.699 million) receivable from National Clearing Company of Pakistan Limited, Central Depository Company of Pakistan Limited and Pakistan Mercantile Exchange Limited respectively.

ATX



		2016 (Rupees in thousand)	2015
<b>20</b>	<b>Other receivables</b>		
	Interest accrued	4,142	7,174
	Others	-note 20.1 37,430	7,413
		<u>41,572</u>	<u>14,587</u>
<b>20.1</b>	<b>Others:</b>		
	-Considered good	37,430	7,413
	-Considered doubtful	-	1,351
		<u>37,430</u>	<u>8,764</u>
	Less: provision against doubtful receivables	-note 20.2 -	1,351
		<u>37,430</u>	<u>7,413</u>
<b>20.2</b>	<b>Provision for doubtful receivables</b>		
	Opening balance as at July 1	1,351	1,152
	Add: Provision for the year	-	199
		<u>1,351</u>	<u>1,351</u>
	Less: Doubtful receivables written off	(1,351)	-
	Closing balance as at June 30	<u>-</u>	<u>1,351</u>
<b>21</b>	<b>Short term investments - held to maturity</b>		
	Certificates of investment	-	32,421
	Government treasury bills	-note 21.1 232,800	228,015
	Term deposit receipts	-note 21.2 254,000	179,188
		<u>486,800</u>	<u>439,624</u>
<b>21.1</b>	During the year the Company purchased Government Treasury Bills amounting to Rs. 349.056 million (2015: Rs. 456.64 million) , having a tenure of 6 months from the date of purchase, carrying mark-up at the rates ranging from 6.15% to 8.34% per annum (2015: 7.8% to 9.98% per annum).		
<b>21.2</b>	Term deposit receipts, during the year, carried mark-up at rates ranging from 5% to 6.9% (2015: 5% to 9.5%) per annum.		
<b>22</b>	<b>Tax refunds due from the Government - net</b>	2016 (Rupees in thousand)	2015
	Wealth tax paid:		
	- under protest	-note 22.1 10,063	10,063
	- with returns	461	461
		<u>10,524</u>	<u>10,524</u>
	Less: provision for wealth tax	3,728	3,728
		<u>6,796</u>	<u>6,796</u>
	Income tax - payments less provision	30,486	25,832
		<u>37,282</u>	<u>32,628</u>
<b>22.1</b>	The Income Tax Appellate Tribunal, vide its order dated June 03, 2003, for the Assessment Years 1992-93 and 1994-95 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963.		

The Department has filed a writ petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The petition is pending adjudication.

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		2016	2015
		(Rupees in thousand)	
<b>23</b>	<b>Cash and bank balances</b>		
	Cash in hand	100	168
	Cash at banks on :		
	-Current accounts	2,807	12,637
	-Saving accounts	83,944	256,492
		86,751	269,129
	Share transfer stamps	-	32
		<u>86,851</u>	<u>269,329</u>

23.1 Saving accounts, during the year, carried mark-up at rates ranging from 4% to 6.25% (2015: 6% to 8.5%) per annum.

	Note	2016	2015
		(Rupees in thousand)	
<b>24</b>	<b>Software revenue</b>		
	Back office (software)	1,055	954
<b>25</b>	<b>Rental income</b>		
	Building rent from tenants	42,077	41,307
	Building rent from associated undertakings	2,807	2,552
	Building rent from members	330	384
		<u>45,214</u>	<u>44,243</u>

25.1 During the year the Company earned rental income from Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited amounting to Rs. 0.840 million and 1.966 million (2015: Rs. 0.764 million and Rs. 1.787 million) respectively.

		2016	2015
		(Rupees in thousand)	
<b>26</b>	<b>Profit on bank deposits and accounts</b>		
	Mark-up on deposit accounts	7,994	9,725
	Term deposit receipts	12,951	17,115
	Treasury bills	16,195	14,819
	Certificates of investment	430	3,448
	Gain/Loss on Mutual Fund	5,487	-
		<u>42,957</u>	<u>45,107</u>

		2016	2015
<b>27</b>	<b>Other Income</b>		
	<b>Income from financial assets:</b>		
	Mark-up on loan to Managing Director	809	1,308
	<b>Income from assets other than financial assets</b>		
	Fund management fee	14,209	17,519
	Other	5,920	5,441
		<u>20,129</u>	<u>22,960</u>
		<u>20,938</u>	<u>24,268</u>

27.1 This represents fund management fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the year ended June 30, 2016. Fund management fee is calculated at the rate of 1.5% on closing fund size as per management accounts.

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		2016	2015	
		(Rupees in thousand)		
<b>28</b>	<b>Administrative expenses</b>			
	Salaries and benefits	-note 28.1	18,116	30,028
	I.T. and other related expenses		742	1,501
	Insurance		637	658
	Travelling and conveyance	-note 28.2	1,254	2,249
	Printing and stationery		549	1,247
	Utilities		4,107	7,806
	Communication and public relations		1,656	2,694
	Repair and maintenance		3,334	2,285
	Depreciation	-note 12.1	12,080	10,642
	Amortisation	-note 13	316	530
	Fee and subscription		292	483
	Rent and taxes		1,257	1,258
	Security expenses		761	265
	Marketing and advertisement		463	1,183
	Auditors' remuneration	-note 28.3	1,286	700
	Training and courses		82	62
	Board meetings fee expenses		2,907	2,062
	Others		2,432	1,400
			<u>52,271</u>	<u>67,053</u>

28.1 Salaries and benefits include Rs. 1.633 million (2015: Rs. 1.262 million) and Rs. 1.81 million (2015: Rs. 2.779 million) in respect of contribution to gratuity and provident fund respectively.

		2016	2015
		(Rupees in thousand)	
<b>28.1.1</b>	<b>Disclosure relating to provident fund</b>		
	Size of fund	4,999	19,535
	Cost of investments made	4,132	7,950
	Percentage of investments	82.66%	40.70%
	Fair value of investments	4,132	7,950
	<b>Breakup of investment</b>		
	Shares	-	3,228
	Meezan Capital Preservation Plan-1	-	3,391
	Cash at bank in saving accounts	4,132	1,331

The figures for 2016 are based on the audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

28.2 These includes travelling and conveyance expense of directors amounting to Rs. 1.104 million (2015: Rs. 1.790 million)

		2016	2015
		(Rupees in thousand)	
<b>28.3</b>	<b>Auditors' remuneration</b>		
	The charges for auditors' remuneration include the following in respect of auditors' services for:		
	Statutory audit	725	525
	Half yearly review	157	375
	Special reports and certificates	197	100
	Out of pocket expenses	207	148
		<u>1,286</u>	<u>1,148</u>

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	2016	2015
	(Rupees in thousand)	
<b>29 Other charges</b>		
Legal and professional charges	3,015	835
Consultancy charges	2,867	2,767
Write off of advance paid to Facilities Management Company Limited	13,537	-
	<u>19,419</u>	<u>3,602</u>
<b>30 Finance cost</b>		
Bank charges	<u>120</u>	<u>133</u>
<b>31 Taxation</b>		
Taxation:		
- Current	19,403	19,911
- Deferred	40,302	23,006
	<u>59,705</u>	<u>42,917</u>
<b>31.1 Tax charge reconciliation</b>	<b>% age</b>	<b>% age</b>
Numerical reconciliation between the applicable tax rate and the average effective tax rate including discontinued operations		
Applicable tax rate	32	33
Tax effect of expenses that are deductible in determining taxable profit	(2.26)	(2.26)
Effect of change in tax rate	(0.10)	(0.97)
Tax effect under presumptive tax regime	(11.43)	(9.74)
Effect of tax credits and others	11.38	8.01
Average effective tax rate charged to profit and loss account	<u>29.59</u>	<u>28.04</u>
<b>32 Discontinued Operations</b>		
As stated in note 1.1, profit after taxation from discontinued stock exchange operations for the year:		
<b>32.1 Profit after taxation from discontinuing operations for the year</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2016</b>	<b>2015</b>
	(Rupees in thousand)	
Fee Income	64,013	116,985
Software revenue	481	906
Profit on bank deposits and investments	-	2,240
Other income	26,035	57,875
Administrative charges	(64,486)	(67,527)
Other charges	(9,939)	(27,608)
Finance cost	-	(3)
Profit before tax	<u>16,104</u>	<u>82,868</u>
Taxation	(3,877)	(18,688)
Profit after taxation	<u>12,227</u>	<u>64,180</u>

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32.2 Assets and liabilities of discontinued operations of stock exchange are as follows:

	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
<b>Assets</b>		
Property and equipment	3,256	3,265
Cash and bank balances	-	22,154
	<u>3,256</u>	<u>25,419</u>
<b>Liabilities</b>		
Trade and other payables	24,733	23,003
<b>Total net assets</b>	<u>(21,477)</u>	<u>2,416</u>

32.3 Net cash flows relating to discontinuing operations for the year:

Net cash generated from / (used in) operating activities	10,921	16,273
Net cash used in investing activities	3,880	-

33 Earnings per share

33.1 Basic earnings per share

		June 30, 2016	June 30, 2015
Profit after tax from continuing operations	Rupees in thousand	66,944	93,950
Profit after tax from discontinuing operations	Rupees in thousand	12,227	64,180
Weighted average number of shares	Numbers in thousand	128,284	128,284
Earnings per share from continuing operations		0.52	0.73
Earnings per share from discontinuing operations		0.10	0.50
		<u>0.62</u>	<u>1.23</u>

33.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2016 and June 30, 2015 which would have any effect on the earnings per share.

34 Working capital changes

(increase) / decrease in current assets:

	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
- Stores	(580)	(15)
- Loans and advances	9,685	103,884
- Trade receivables	12,211	13,881
- Other receivables	(30,014)	4,599
- Short term prepayments	13,504	(14,633)
	4,806	107,716

(Decrease) / increase in current liabilities:

- Trade and other payables	11,943	(62,851)
	<u>16,750</u>	<u>44,865</u>

35 Transactions with related parties including discontinued operations

The related parties comprise of associated undertakings, directors of the Company, companies in which directors also hold directorship and key management personnel. All transactions with related parties have been carried out on mutually agreed terms and conditions.

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Relationship with Company	Nature of transaction	2016	2015
		(Rupees in thousand)	
i. Associated Undertakings	- Reimbursement of expenses	674	1,219
	- Rent received	2,807	2,552
	- Shares Registrar Fee	370	350
	- Dividend received	73,952	46,632
	- Investment made	131,836	17,578
	- Software charges	12	-
	- Provision of facilities	112	-
ii. Non Executive Directors	- Meeting fee	6,460	3,380
	- Sale of asset	15	-
iii. Chief Executive and key management personnel	- Disbursement of loan	-	7,124
	- Receipt of loan	13,737	3,825
	- Sale of asset	2,901	-

### 36 Remuneration of Chief Executive and key management personnel

	Chief Executive		Key Management Personnel	
	2016	2015	2016	2015
	(Rupees in thousand)			
Remuneration	6,268	6,395	3,106	4,191
Medical	566	711	242	451
Bonus	1,952	3,726	861	1,446
Retirement Benefits	2,607	2,963	247	451
Utilities and other benefits	3,134	4,069	2,492	4,958
	<u>14,527</u>	<u>17,864</u>	<u>6,948</u>	<u>11,497</u>
	<u>2</u>	<u>1</u>	<u>4</u>	<u>4</u>

### 37 Financial risk management

#### 37.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

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

#### a) Market risk

##### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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During the year, the Company, with the approval of its Board of Directors closed the foreign currency bank account and consequently it is not exposed to the currency risk.

	2016	2015
	(Rupees in thousand)	
Net exposure against foreign currency bank accounts	<u>-</u>	<u>5</u>

The following significant exchange rates have been applied:

Average rate	-	101.74
Reporting date rate	-	102.55

#### ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets and the Company's interest rate risk arises from short term investments. Investments obtained at variable rates expose the Company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2016	2015
	(Rupees in thousand)	
<b>Financial assets</b>		
<b>Fixed rate instruments</b>		
Loan to executives	-	15,462
Bank balances - savings accounts	83,944	256,492
Short term investments	486,800	439,624
	<u>570,744</u>	<u>711,578</u>
<b>Financial liabilities</b>		
<b>Floating rate instruments</b>		
Long term finances	200,000	200,000

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

#### Cash flow sensitivity analysis for variable rate instruments

At June 30, 2016, if interest rate on floating rate borrowings had been 1% higher / lower with all other variables held constant, cash flow from operating activities would have been Rs. 2.99 million (2015: 0.022 million) higher / lower, mainly as a result of higher / lower interest rate on floating rate borrowing.

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### iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in listed equity securities.

### (b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its trade receivables and its balances at banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016	2015
	(Rupees in thousand)	
Short term investments	254,000	211,609
Bank balances	86,751	243,709
Loans and advances	15,926	41,284
Trade receivables - net of provision	10,657	22,868
Other receivables - net of provision	41,572	14,587
Long term deposits	2,105	2,105
Long term loans	-	12,682
	<u>411,011</u>	<u>548,844</u>

The Company's exposure to credit risk is limited to the carrying amount of unsecured long term deposits, trade receivables, loans and advances, short term investments and bank balances. The aging analysis of trade receivables is as follows:

	2016	2015
	(Rupees in thousand)	
Not yet due	-	3,506
Due past 90 days	4,935	5,616
Due past 90 to 180 days	2,122	3,629
Due past 181 to 365 days	3,612	10,117
Due past 365 days	-	-
	10,669	22,868

Based on past experience the management believes that no further provision is required in respect of trade receivables considered good at June 30, 2016. Further, provision against doubtful fee receivable, to the extent considered necessary, has been recognized in these financial statements.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

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Banks	Rating		Rating agency	2016	2015
	Short term	Long term		(Rupees in thousand)	
Faysal Bank Limited	A1+	AA	PACRA	1,991	756
MCB Bank Limited	A1+	AAA	PACRA	31,365	75,530
Bank Al Falah Limited	A1+	AA	PACRA	718	20,499
Bank Al Habib Limited	A1+	AA+	PACRA	19,312	102,294
Allied Bank Limited	A1+	AA+	PACRA	0	40,847
Bank Islami Pakistan Limited	A1	A+	PACRA	-	272
Askari Commercial Bank Limited	A-1+	AA+	PACRA	-	10,536
United Bank Limited	A-1+	AAA	JCR-VIS	5	5
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,577	1,195
National Bank of Pakistan Limited	A-1+	AAA	JCR-VIS	703	164
Summit Bank Limited	A-1	A	JCR-VIS	28,080	17,029
Pak Brunei Investment Company	A-1+	AA+	PACRA	-	32,421
				<u>86,751</u>	<u>301,548</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of financial liabilities as at June 30, 2016 including the discontinued operations:

	Carrying amount	Less than one year	More than one year but less than five years	More than five years
	(Rupees in thousand)			
Deferred liabilities	-	-	-	-
Long term deposits	221,995	-	8,490	213,505
Long term finances	200,000	-	71,429	128,571
Trade and other payables	122,811	122,811	-	-
	<u>544,806</u>	<u>122,811</u>	<u>79,919</u>	<u>342,076</u>

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The following are the contractual maturities of financial liabilities as at June 30, 2015:

	Carrying amount	Less than one year	More than one year but less than five years	More than five years
(Rupees in thousand)				
Deferred liabilities	5,541	-	5,541	-
Long term deposits	250,557	-	5,139	245,418
Long term finances	200,000	-	71,429	128,571
Trade and other payables	109,829	109,829	-	-
	<u>565,927</u>	<u>109,829</u>	<u>82,108</u>	<u>373,989</u>

### 37.2 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings including current and non-current borrowings, as disclosed in notes. Total capital is calculated as 'equity' shown in the balance sheet plus debt. The gearing ratio as at year ended June 30, 2016 and June 30, 2015 are as follows:

		2016	2015
(Rupees in thousand)			
Debt	-note 9	200,000	200,000
Total equity		1,487,244	1,509,115
Total capital		<u>1,687,244</u>	<u>1,709,115</u>
Gearing ratio	Percentage	12%	12%

### 38 Fair value estimation

The different levels for fair value estimation of financial instruments used by the Company have been explained as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs e.g. estimated future cash flows) (level 3).

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

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June 30, 2016

	Level 1	Level 2	Level 3	Total
(Rupees in thousands)				
Recurring fair value measurements				
<b>INVESTMENTS - NET</b>				
<b>Financial assets</b>				
Available for sale securities				
Ordinary shares - Unlisted	-	600,165	-	600,165

June 30, 2015

	Level 1	Level 2	Level 3	Total
(Rupees in thousands)				
Recurring fair value measurements				
<b>INVESTMENTS - NET</b>				
<b>Financial assets</b>				
Available for sale securities				
Ordinary shares - Unlisted	-	540,873	-	540,873

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the year.

**(a) Financial instruments in level 1**

Currently, no financial instruments are classified in level 1.

**(b) Financial instruments in level 2**

Financial instruments included in level 2 comprise of investments in unlisted ordinary shares.

**(c) Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

**39 Number of employees**

Total number of employees at year end and average number of employees during the year are 38 (2015: 79) and 58 (2015: 85) respectively.

**40 Corresponding figures**

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made,

**41 Events after balance sheet date**

- 40.1** The Board of Directors in its meeting held on 06-Oct-2016 has announced a final cash dividend in respect of the year ended June 30, 2016 of Rs. 0.50 per share (2015: Rs. 0.75 per share). These financial statements do not include the effect of these appropriations which will be accounted for subsequent to the year end.

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42 **General**

The figures in this financial information have been rounded off to the nearest Rupees in thousands unless otherwise specified.

43 **Date of authorization for issue**

These financial statements were authorized for issue on 06-OCT-2016 by the Board of Directors of the Company.

411   
Managing Director

  
Director

  
Director