Tariq Vohra Securities (Private) Limited
Financial Statements
For the year ended June 30, 2018

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

INDEX

DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with the audited financial statement of the Company for the year June 30, 2018. The working results of the company for the said financial year are given as under.

Financial Results:	Rupees
Operating revenue	(9,511,537)
Operating expenses	(11,465,386)
Operating loss	(20,976,922)
Other charges	-
Other income	276,148
Loss before taxation	(20,700,774)
Taxation	(643,658)
Loss after taxation	(21,344,432)

Review of Business

During the year under review the stock market performance was negative and brokerage income declined due low turnover.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

Future Prospects:

The Directors expect future profitability to be increased due to expected strengthening of market in next year after new political setup.

Loss per Share

Loss per share for the year ended 30th June 2018 was Rs. (21.13)

Auditors:

The auditors of the company Nasir Javaid Maqsood Imran Chartered Accountants have retired and offer their services for the ensuing year.

Karachi:
Dated: 26 OCT 2018

Aisha Asif
Director

Chief Executive

OFFICE # 3, 91-C, MEZZANINE FLOOR, JAMI COMMERCIAL STREET 11, PHASE VII, D. H. A., KARACHI
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njmi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Tariq Vohra Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Tariq Vohra Securities (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2018** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.

NASIR JAVAID MAQSOOD IMRAN
KARACHI
CHARTERED ACCOUNTANTS

Nasir Javaid Maqsood Imran

Dated: 26 OCT 2018
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	7,522,349	3,104,465
Intangible assets	5	2,500,000	2,500,000
Long term investment	6	21,353,582	41,163,833
Long term advances & deposits	7	546,000	16,546,000
		31,921,931	63,314,298
CURRENT ASSETS			
Advances, deposits, pre-payments & other receivables	8	1,780,843	9,851,132
Short term investment	9	44,537,095	21,740,150
Cash & bank balances	10	1,661,287	26,400,938
		47,979,226	57,992,220
TOTAL ASSETS		79,901,157	121,306,518
EQUITYAND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
1,500,000 (2017: 1,500,000) ordinary shares of Rs. 100/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital	11	101,030,000	101,030,000
Unappropriated loss		(33,562,526)	(12,218,095)
Unrealised gain on revaluation of available for sale investments		10,541,642	25,134,303
		78,009,115	113,946,208
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		1,647,880	7,074,978
Accrued expenses & other liabilities	12	244,161	285,332
		1,892,041	7,360,310
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITYAND LIABILITIES		79,901,157	121,306,518

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive

Aisha Asif
Director

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS
Initialled for identification

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
REVENUE			
Operating revenue	14	5,110,903	7,391,744
Capital (loss) / gain on sale of securities		(5,052,434)	45,889,490
Loss on remeasurement of investments		(9,570,005)	(3,592,093)
		(9,511,537)	49,689,141
Administrative expenses	15	(11,465,148)	(12,574,519)
Finance cost	16	(237)	(226)
		(11,465,386)	(12,574,745)
Operating (loss) / profit		(20,976,922)	37,114,396
Other charges	17	-	(2,500,000)
Other income	18	276,148	340
(Loss) / profit before taxation		(20,700,774)	34,614,736
Taxation	19	(643,658)	(615,062)
(Loss) / profit after taxation		(21,344,432)	33,999,675
(Loss) / earnings per share - basic and diluted	20	(21.13)	33.65

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive

Director

Initialled for identification

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
(Loss) / profit after taxation		(21,344,432)	33,999,675
Other Comprehensive Income			
Unrealised (loss) / gain on revaluation of available for sale investments		(14,592,662)	25,134,303
Total comprehensive (loss) / income for the year		(35,937,093)	59,133,978

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive

Director

Initialled for Identification
NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	Rupees 2018	Rupees 2017
Cash Flow from Operating activities			
Net (loss) / profit before taxation		(20,700,774)	34,614,736
Add / (Less) : Items not involved in movement of funds			
Depreciation		1,175,404	263,439
Impairment		-	2,500,000
Capital loss / (gain) on sale of investments		5,052,434	(45,889,490)
Loss on remeasurement of investments		9,570,005	3,592,093
Financial Charges		237	226
		15,798,081	(39,533,733)
Operating profit before working capital changes		(4,902,693)	(4,918,996)
Net change in working capital	(a)	(29,439,294)	(12,489,938)
		(34,341,987)	(17,408,934)
Financial Charges paid		(237)	(226)
Taxes paid		(804,137)	(1,297,067)
Net cash used in operating activities		(35,146,362)	(18,706,227)
Cash Flow from Investing activities			
Proceeds from disposal of shares of Pakistan Stock Exchange Limited		-	46,398,325
Long term deposits		16,000,000	-
Long term investments		-	-
Purchase of property & equipment		(5,593,288)	(2,210,138)
Net cash generated from investing activities		10,406,712	44,188,187
Net increase / (decrease) in cash and cash equivalents		(24,739,650)	25,481,960
Cash and cash equivalent at beginning of the year		26,400,938	918,979
Cash and cash equivalent at end of the year	10	1,661,287	26,400,938
(a) Statement of change in working capital			
(Increase) / decrease in current assets			
Advances, deposits, pre-payments & other receivables		8,230,768	(3,742,500)
Short term investment		(32,201,793)	(15,485,106)
		(23,971,025)	(19,227,606)
Increase / (decrease) in current liabilities			
Trade payables		(5,427,098)	6,630,727
Accrued expenses & other liabilities		(41,171)	106,941
		(5,468,269)	6,737,668
Net change in working capital		(29,439,294)	(12,489,938)

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive

Azhar Asif
Director

Nasir Javaid Maqsood Imran Chartered Accountants
Initialled for Identification

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid-up capital	Unappropriated loss	Unrealised gain on revaluation of available for sale investments	Total
	Rupees	*Rupees*	*Rupees*	*Rupees*
Balance as at June 30, 2016	101,030,000	(46,217,769)	-	54,812,231
Profit after taxation	-	33,999,675	-	33,999,675
Unrealised gain on revaluation of available for sale investments	-	-	25,134,303	25,134,303
Balance as at June 30, 2017	101,030,000	(12,218,095)	25,134,303	113,946,208
Loss after taxation	-	(21,344,432)	-	(21,344,432)
Unrealised gain on transfer to short term investmentS			(8,181,181)	(8,181,181)
Reversal of unrealised gain on revaluation of available for sale investments	-	-	(6,411,480)	(6,411,480)
Balance as at June 30, 2018	101,030,000	(33,562,526)	10,541,642	78,009,115

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Executive

Aisha Asif
Director

Initialled for Identification
NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Tariq Vohra Securities (Private) Limited is a private limited company incorporated under the Companies Ordinance, 1984 on September 29, 2005. The registered office is situated at Office no. 3, 91-C, Mezzanine Floor, Jami Commercial Street 11, Phase VII, DHA, Karachi. The principal activity of the company is to carry on the business of stock, brokerage, underwriting and investment etc. It is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited.

1.2 Summary of significant events and transactions in the current reporting period

During the current year, economic and political scenarios' deterioration had immense adverse effects on the performance of the equity bourse, depressing sentiments in the investment climate and subsequently declined volumes. This is reflected in the statement of Profit or Loss.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for derivatives and investments classified as at fair value through profit or loss which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Change in accounting standards, interpretations and amendments to published approved accounting standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant:

- 'IAS 7, 'Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The relevant disclosure have been made in these financial statements.

- The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual financial statements of the Company. These changes also include change in respect of recognition criteria of revaluation of operating fixed assets, change in nomenclature of primary statements, etc. Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the elimination of duplicative disclosures with the IFRS disclosure requirements and incorporation of significant additional disclosures which have been included in these financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant:

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2017. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expenses recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property'-effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- Annual improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt or payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have material impact on Company's financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Constracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transaction Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability represneting its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. Management is not expecting any impact of the standard on Company's financial reporting.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments are not likely to have an impact on Company's financial statements.

- Annual improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increase its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale. The above improvements to standards are not likely to have material / significant impact on Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

3.1.1 Owned

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Disposal of an item of property, plant and equipment is recognized when significant risks and rewards incidental to ownership have been transferred. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within 'Other operating expenses/income in the profit and loss account.

Depreciation is charged to profit and loss account applying the reducing balance method.

Depreciation is charged when asset is available for use until asset is disposed off.

3.1.2 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount lower of it's fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Leased assets are depreciated over the period shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation is charged to profit and loss account using reducing balance method.

3.2 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using reducing balance method over assets estimated useful life, after taking into accounts residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

3.2.1 Trading Right Entitlement Certificate

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged from the month in which the related asset is available for use while no amortization is charged for the month in which such asset is disposed off.

3.3 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes, is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expenses when incurred.

3.4 Impairment

A financial asset, other than that carried at fair value through profit or loss, is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred and that the loss event has a negative effect on the estimated future cash flows of that asset.

In case of investment in equity securities classified as available for sale and measured at fair value, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists, the cumulative loss measured as a difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized, is transferred from other comprehensive income to the profit and loss account. Such impairment losses are not subsequently reversed through the profit and loss account.

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. All impairment losses are recognized in the profit and loss account.

The carrying amount of the Company's non financial assets and investments carried at cost are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sell and value in use. Impairment losses are recognized in the profit and loss account.

3.5 Financial assets

3.5.1 The Company classifies its financial assets in the following categories: at cost, 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 acquried. Management determines the classification of its financial assets at initial recognition.

a) **Investment**

All investments are initially recognised at fair value, being the cost of consideration given including transaction cost associated with the investment. All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised on settlement date basis.

Investment in subsidiary

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries are carried at cost in accordance with IAS-27-'Consolidated and Separate Financial Statements'.

b) **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 acquried principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

c) **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 trade debts, loans, advances, deposits, other receivables in the balance sheet.

d) **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.

c) **Held to maturity**

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

3.5.2 All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way 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 except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss 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.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. Investments in associates are accounted for using the equity method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the profit and loss account as a reclassification adjustment. 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 value of quoted equity instruments are based on current market prices. Subsequent to initial measurement equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment in value, if any.

3.5.3 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 on the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

3.6 Derivatives

Derivative instruments held by the Company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently re-measured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealized gains) are included in assets and derivatives with negative market values (unrealized losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account.

3.7 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repo) are not recognized in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as finance cost and accrued over the life of the repo agreement.

3.8 Financial liabilities

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost using effective interest rate method.

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.10 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off. Trade Receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.11 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the Company and accordingly are not included in these financial statements.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.13 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.16 Provisions

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

3.17 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flow from the financial assets expires or is transferred. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired. Financial instruments carried on the balance sheet include investments, trade debts and other receivables, loans and advances, cash and bank balances, deposits, borrowings, trade and other payables and accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when the company has legally enforceable right to offset the recognized amount and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 on the measurement date.

When available, the Company measures the fair value of an investment using quoted price in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transaction on an arm's length basis.

3.18 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange 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.

3.19 Revenue recognition

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

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.
- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognized on accrual basis.
- Other/miscellaneous income is recognized on receipt basis.
- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised gains / (losses) arising from mark to market of investments classified as 'available for sale' are taken directly to other comprehensive income.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account under other income / other expenses.

3.20 Borrowing costs

Borrowing costs incurred on short term and long term borrowing are recognized as an expense in the period in which these are incurred.

3.21 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation models, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

4 PROPERTY AND EQUIPMENT

	Furniture & Fixture	Vehicle	Computer Equipments	Total
	(Rupees)	*(Rupees)*	*(Rupees)*	*(Rupees)*
Net carrying value basis				
Year ended June 30, 2018				
Opening net book value (NBV)	175,351	2,585,000	344,114	3,104,465
Additions (at cost)	323,649	5,034,500	235,139	5,593,288
Disposals (at NBV)	-	-	-	-
Depreciation charge	(55,117)	(991,231)	(129,056)	(1,175,404)
Closing net book value (NBV)	443,883	6,628,269	450,197	7,522,349
Gross carrying value basis				
As at June 30, 2018				
Cost	571,599	8,009,500	824,077	9,405,176
Accumulated depreciation	(127,716)	(1,381,231)	(373,880)	(1,882,827)
Net book value (NBV)	443,883	6,628,269	450,197	7,522,349
Net carrying value basis				
Year ended June 30, 2017				
Opening net book value (NBV)	19,035	1,062,500	76,231	1,157,766
Additions (at cost)	166,500	1,725,000	318,638	2,210,138
Disposals (at NBV)	-	-	-	-
Depreciation charge	(10,184)	(202,500)	(50,755)	(263,439)
Closing net book value (NBV)	175,351	2,585,000	344,114	3,104,465
Gross carrying value basis				
As at June 30, 2017				
Cost	247,950	2,975,000	588,938	3,811,888
Accumulated depreciation	(72,599)	(390,000)	(244,824)	(707,423)
Net book value (NBV)	175,351	2,585,000	344,114	3,104,465
Rate of Depreciation	15	15	30	

	Notes	Rupees 2018	Rupees 2017
5 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	2,500,000	5,000,000
Less: Impairment in value of TREC		-	(2,500,000)
		2,500,000	2,500,000

5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of PSX after completion of the demutualization process.

6 LONG TERM INVESTMENTS
Available for sale - quoted

	Notes	Rupees 2018	Rupees 2017
Investment in shares of Pakistan Stock Exchange Limited	6.1	41,163,833	16,029,530
Transfer to short term investments		(13,398,771)	-
		27,765,062	16,029,530
Reversal of unrealised gain on revaluation of available for sale investments		(6,411,480)	25,134,303
		21,353,582	41,163,833

6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX. In March 2017, the Company disposed off 1,602,953 shares (i-e 40%) under the share purchase agreement between PSX and an Anchor investor and additional 801,477 shares (i-e 20%) under Initial Public Offering in June 2017 at Rs. 28 per share. Further, as per Section 5(2) of Public Offering Regulations, 2017, the Company is required to retain not less than 25% of the total paid up capital for a period of not less than three financial years from the last date for the public subscription. Given the above, the investment to the extent of 1,081,194 shares has been classified as long term investment while the remaining investment in PSX has been classified under short term investment.

	Rupees 2018	Rupees 2017
7 LONG TERM ADVANCES AND DEPOSITS		
National Clearing Company	400,000	400,000
Central Depository Company	100,000	100,000
Pakistan Stock Exchange	10,000	10,000
Deposit with landlord	36,000	36,000
Base Minimum Capital	-	16,000,000
	546,000	16,546,000

	Rupees 2018	Rupees 2017
8 ADVANCES, DEPOSITS, PRE-PAYMENTS & OTHER RECEIVABLES		
Other deposit	-	3,742,500
Advance tax	1,780,843	1,620,364
Receivable from PSX for shares	-	4,488,268
	1,780,843	9,851,132

	Notes	Rupees 2018	Rupees 2017

9 SHORT TERM INVESTMENTS

Investments at fair values through profit & loss held for trading

Listed equity securities		54,107,101	25,332,243
Unrealized loss as a result of measurement at market value		(9,570,005)	(3,592,093)
Market value		44,537,095	21,740,150

10 CASH AND BANK BALANCES

Cash in hand		4,687	8,138
Cash at Bank - current accounts		1,656,600	26,392,800
		1,661,287	26,400,938

10.1 Detail of customer assets held in designated bank accounts and Central Depository Company (CDC) are as follows.

Customer assets held in the designated bank accounts		1,647,880	7,074,978
Customer assets held in the Central Depository Company		758,554,968	756,124,668
Securities pledged with financial institution		-	-

11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares

2018	2017			
1,010,300	1,010,300	Ordinary shares of Rs. 100 each fully paid in cash	101,030,000	101,030,000
1,010,300	1,010,300		101,030,000	101,030,000

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

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses		177,465	90,000
SST payable		66,696	110,919
CGT payable		-	84,413
		244,161	285,332

	Notes	Rupees 2018	Rupees 2017

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitment during the year. (2017 : Nil)

14 OPERATING REVENUE

	Rupees 2018	Rupees 2017
Brokerage Commission	4,438,064	6,676,932
Dividend Income	672,839	714,812
	5,110,903	7,391,744

14.1 Share turnover

Turnover during the period comprises of the following:

	Turnover in Value	Turnover in Value
During the year ended June 30, 2018		
Institution	-	-
Retail	1,985,541,050	3,225,786,099
Proprietary	662,121,445	401,974,017
Total	2,647,662,495	3,627,760,116

15 ADMINISTRATIVE AND OPERATING EXPENSES

	Notes	Rupees 2018	Rupees 2017
Directors remuneration	15.1	3,500,000	3,500,000
Staff salaries and allowances		2,378,999	2,300,000
Utility expense		170,640	210,451
Service and transaction charges		301,461	464,902
Communication expense		467,895	383,125
I.T and software		1,152,600	-
Postage and courier		8,000	-
Auditors' remuneration	15.2	160,000	160,000
Donation		-	2,900,000
Legal and professional		185,600	210,850
Entertainment		284,323	362,520
Repair and maintenance		208,249	252,700
Printing and stationery		374,095	464,025
Rent rates and Taxes		374,296	274,683
Travelling and conveyance		103,706	775,808
Insurance expense		178,037	52,016
Vehicle running expense		361,627	-
Depreciation		1,175,404	263,439
Miscellaneous		79,516	-
		11,465,148	12,574,519

15.1 Remuneration of Chief Executive and Director

	2018 Chief Executive	2018 Director	2017 Chief Executive	2017 Director
Managerial remuneration	1,750,000	1,750,000	1,750,000	1,750,000
Company's contribution to the Provident Fund	-	-	-	-
Fees	-	-	-	-
Bonus	-	-	-	-
Housing and utilities	-	-	-	-
	1,750,000	1,750,000	1,750,000	1,750,000
Number of persons (including those who worked part of the year)	1	1	1	1

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

		Notes	Rupees 2018	Rupees 2017
15.2	**Auditors' remuneration**			
	Audit services			
	Annual audit fee		90,000	90,000
	Certifications		70,000	70,000
			160,000	160,000
	Non-audit services			
	Other services		-	-
			-	-
			160,000	160,000
16	**FINANCE COSTS**			
	Bank Charges		237	226
			237	226
17	**OTHER CHARGES**			
	Impairment loss		-	2,500,000
			-	2,500,000
18	**OTHER INCOME**			
	From financial assets			
	Profit on PSX exposure deposit		9,729	-
	Profit on PSX retention money		254,328	
	IPO Commission		12,091	340
			276,148	340
19	**TAXATION**			
	Current		643,658	615,062
			643,658	615,062
19.1	**Relationship between income tax expense and accounting profit**			
	Profit before taxation		(20,700,774)	34,614,736
	Tax at the applicable tax rate of 30% (2017 : 31%)		(6,210,232)	10,730,568
	Tax effect of income taxed at lower tax rates		619,189	(13,899,147)
	Tax effect of non deductible expenses		3,271,016	2,181,061
	Tax effect on minimum tax		92,684	489,031
	Others		2,871,002	1,113,549
			643,658	615,062

19.2 Income tax returns of the company have been finalized upto and including the tax year 2017, which are deemed to be assessment order under provisions of Income Tax Ordinance 2001.

			2018	2017
20	**(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**			
	(Loss) / profit after taxation		(21,344,432)	33,999,675
	Number of shares issued up to the end of the year		1,010,300	1,010,300
			(21.13)	33.65

There is no dilutive effect on the basic earnings per share of the company.

21 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 Financial Instruments by category

21.1.1 Financial Assets

2018

	At fair value through profit or loss - held for trading	Available for sale	Loans and receivables	Other financial assets	Total
Long term investment	-	21,353,582	-	-	21,353,582
Long term loans, advances & deposits	-	-	546,000	-	546,000
Short term investments	44,537,095	-	-	-	44,537,095
Short term deposits, advances & other receivables	-	-	1,780,843	-	1,780,843
Cash and bank balances	-	-	-	1,661,287	1,661,287
	44,537,095	21,353,582	2,326,843	1,661,287	69,878,808

2017

	At fair value through profit or loss - held for trading	Available for sale	Loans and receivables	Other financial assets	Total
Long term investment	-	41,163,833	-	-	41,163,833
Long term loans, advances & deposits	-	-	16,546,000	-	16,546,000
Short term investments	21,740,150	-	-	-	21,740,150
Short term deposits, advances & other receivables	-	-	9,851,132	-	9,851,132
Cash and bank balances	-	-	-	26,400,938	26,400,938
	21,740,150	41,163,833	26,397,132	26,400,938	115,702,053

21.1.2 Financial Liabilities

2018

	Amortised cost	At fair value through profit	Total
Trade payables	-	1,647,880	1,647,880
Accrued expenses & other liabilities	-	244,161	244,161
	-	1,892,041	1,892,041

2017

	Amortised cost	At fair value through profit	Total
Trade payables	-	7,074,978	7,074,978
Accrued expenses & other liabilities	-	285,332	285,332
	-	7,360,310	7,360,310

22 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Market Risk
- Liquidity Risk
- Credit Risk
- Operational Risk

22.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to such risk mainly in respect of short-term borrowings. Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's loss by Nil and a 1% decrease would result in a decrease in the Company's loss by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity Price Risk

Equity price risk is the risk of volatility in share price resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. Management of the Company estimates that a 10% increase in the overall equity prices in the market with all other factors remaining constant would increase the Company's profit by 4,453,709/- and a 10% decrease would result in a decrease in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

22.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2018					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	(Rupees)					
Financial liabilities						
Trade payables	1,647,880	1,647,880	-	1,647,880	-	-
Accrued expenses & other liabilities	244,161	244,161	-	244,161	-	-
	1,892,041	1,892,041	-	1,892,041	-	-

	2017					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	(Rupees)					
Financial liabilities						
Trade payables	7,074,978	7,074,978	-	7,074,978		
Accrued expenses & other liabilities	285,332	285,332	-	285,332	-	-
	7,360,310	7,360,310	-	7,360,310	-	-

22.3 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 into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits 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 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 policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised 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. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	Rupees 2018	Rupees 2017
Long term investment	21,353,582	41,163,833
Long term loans, advances & deposits	546,000	16,546,000
Short term investments	44,537,095	21,740,130
Short term deposits, advances & other receivables	1,780,843	9,851,132
Cash and bank balances	1,661,287	26,400,938
	69,878,808	115,702,053

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate exposure is significant in relation to the Company's total exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

22.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processess, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks suc as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for Investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas.

- requirements for appropriate segregation of duties between various functions, roles and responsibility;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

22.5 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer prices quotations.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial assets at fair value through profit and loss

	2018			
	Level 1	Level 2	Level 3	Total
Listed securities	44,537,095	-	-	44,537,095
	44,537,095	-	-	44,537,095
Available for sale				
Investment in shares of Pakistan Stock Exchange Limited	21,353,582	-	-	21,353,582
	21,353,582	-	-	21,353,582

Financial assets at fair value through profit and loss

	2017			
	Level 1	Level 2	Level 3	Total
Listed securities	21,740,150	-	-	21,740,150
	21,740,150	-	-	21,740,150
Available for sale				
Investment in shares of Pakistan Stock Exchange Limited	41,163,833	-	-	41,163,833
	41,163,833	-	-	41,163,833

During the year ended 30 June, 2017, investment in shares of Pakistan Stock Exchange Limited were transferred from level 3 to level 1 after it's listing.

22.6 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

TARIQ VOHRA SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

23 RELATED PARTY TRANSACTIONS

Related parties comprise of group companies (the parent company, fellow subsidiaries and the subsidiaries). Key management personnel of the Company and directors and their close family members, major shareholders of the Company and staff provident fund. Transaction with related parties are on arm's lenght basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the chief executive, directors and executive is disclosed in relevent note to the financial statements. No significant transactions with related parties during the year.

24 NUMBER OF EMPLOYEES

	2018	2017
Total employees of the Company at the year end	3	3
Average employees of the Company during the year	3	3
Employees working in the Company at the year end	3	3
Average employees working in Company during the year	3	3

25 PATTERN OF SHAREHOLDING

Number of Shares	Name of shareholders	June 30, 2018 Percentage of Holding
385,100	Mohammad Asif Vohra	38%
325,200	Aisha Asif	32%
300,000	Mohammad Danish Vohra	30%
1,010,300		100%

There were no changes in shareholding above 5% during the year.

26 CAPITAL ADEQUACY LEVEL

	Note	June 30, 2018
Total Assets		79,901,157
Less: Total Liabilities		(1,892,041)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-
Capital Adequacy Level	26.1	78,009,115

26.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the company as at June 30, 2018, as determined by Pakistan Stock Exchange has been considered.

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on 26 OCT 2018

28 GENERAL

28.1 Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

28.2 Figures have been rounded off to the nearest rupee.

Chief Executive

Aisha Asif
Director

NASIR JAVAID MAQSOOD IMRAN CHARTERED ACCOUNTANTS
Initialled for identification