

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NINI SECURITIES (PRIVATE) LIMITED  
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

***Opinion***

We have audited the annexed financial statements of **NINI SECURITIES (PRIVATE) LIMITED** which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and 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 explanations which, to the best of our knowledge and belief, were necessary for the purposes 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, the statement of profit or loss, the statement of 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, its 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.

***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 misstatement, 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 the 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 control 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 account 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, the statement of 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 is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the statement of financial position was prepared.

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

  
**Reanda Haroon Zakaria & Company**  
**Chartered Accountants**

Place: Karachi

Dated: 13 SEP 2018

**NINI SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	4	10,018,878	8,445,547
Intangible assets	5	3,050,579	5,611,754
Long term investment	6	31,658,322	41,163,833
Long term deposit	7	300,000	200,000
		45,027,779	55,421,134
<b>Current Assets</b>			
Trade debts	8	2,552,724	903,961
Deposits	9	25,000	15,853,716
Loan and other receivable	10	95,500	4,988,269
Tax refunds due from the Government	11	190,617	175,040
Cash and bank balances	12	79,084,421	60,130,140
		81,948,262	82,051,126
<b>Total Assets</b>		<b>126,976,041</b>	<b>137,472,260</b>
<b><u>CAPITAL &amp; LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000
<b>Issued, subscribed and paid-up capital</b>	13	100,000,000	100,000,000
<b>Capital reserve</b>			
Gain on remeasurement of investment available for sale		15,628,788	25,134,299
<b>Revenue reserve</b>			
Unappropriated profit		4,094,628	8,860,949
<b>Shareholders' equity</b>		<b>119,723,416</b>	<b>133,995,248</b>
<b>Non-Current Liabilities</b>			
Deferred taxation	14	104,072	35,337
<b>Current Liabilities</b>			
Trade and other payables	15	7,148,553	1,441,675
Short term borrowing	16	-	2,000,000
		7,148,553	3,441,675
<b>Contingencies &amp; Commitments</b>			
<b>Total Equity and Liabilities</b>	17	<b>126,976,041</b>	<b>137,472,260</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
 Chief Executive

  
 Director

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

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
Operating revenue	18	3,922,909	6,363,717
Administrative expenses	19	(6,169,624)	(4,757,997)
<b>Operating (loss) / profit</b>		<b>(2,246,715)</b>	<b>1,605,720</b>
Other income	20	740,079	44,169,956
Other expenses	21	(2,778,052)	(431,957)
<b>Net (loss) / profit before taxation</b>		<b>(4,284,688)</b>	<b>45,343,719</b>
Taxation	22	(481,633)	(486,761)
<b>Net (loss) / profit after taxation</b>		<b>(4,766,321)</b>	<b>44,856,958</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
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 Chief Executive

  
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 Director

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

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
Net (loss) / profit after taxation	(4,766,321)	44,856,958
<b>Other comprehensive income:</b>		
<b>Items to be reclassified to Profit and loss account in the subsequent periods</b>		
Unrealized (loss) / gain on remeasurement of investments available for sale	(9,505,511)	25,134,299
<b>Total comprehensive (loss) / income for the year</b>	<b>(14,271,832)</b>	<b>69,991,257</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
 Chief Executive

  
 Director

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

	Reserves		Total reserves	Total	
	Revenue reserve	Capital reserve			
Share capital	Unappropriated profit / (losses)	Gain / (loss) on remeasurement of available for sale investment			
----- (Rupees) -----					
<b>Balance as at July 01, 2016</b>	100,000,000	(35,996,009)	-	(35,996,009)	64,003,991
<b>Total comprehensive income</b>					
Net profit after taxation	-	44,856,958	-	44,856,958	44,856,958
<b>Other comprehensive income</b>					
Unrealized gain on remeasurement of available for sale investments	-	-	25,134,299	25,134,299	25,134,299
	-	44,856,958	25,134,299	69,991,257	69,991,257
<b>Balance as at June 30, 2017</b>	<b>100,000,000</b>	<b>8,860,949</b>	<b>25,134,299</b>	<b>33,995,248</b>	<b>133,995,248</b>
<b>Total comprehensive income</b>					
Net loss after taxation	-	(4,766,321)	-	(4,766,321)	(4,766,321)
<b>Other comprehensive income</b>					
Unrealized loss on remeasurement of available for sale investments	-	-	(9,505,511)	(9,505,511)	(9,505,511)
	-	(4,766,321)	(9,505,511)	(14,271,832)	(14,271,832)
<b>Balance as at June 30, 2018</b>	<b>100,000,000</b>	<b>4,094,628</b>	<b>15,628,788</b>	<b>19,723,416</b>	<b>119,723,416</b>

Unappropriated profit can be utilized for meeting any contingencies and distribution of profit by way of dividend.

Gain on remeasurement of AFS investment will be utilized for any purpose only after it is realized and transferred to profit and loss account.

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
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 Chief Executive


  
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 Director

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

	2018 Rupees	2017 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / profit before taxation	(4,284,688)	45,343,719
Adjustment for:		
Depreciation	624,169	552,891
Amortization	61,175	67,973
Impairment	2,500,000	-
Capital gain on disposal of long-term investments	-	(43,279,736)
	3,185,344	(42,658,872)
Cash (used in) / generated from operating activities before working capital changes	(1,099,344)	2,684,847
Working capital changes		
(Increase) / decrease in current assets		
Trade debts	(1,648,763)	468,658
Loan and other receivable	4,892,769	(500,000)
Increase in current liabilities		
Trade and other payables	5,706,878	761,706
	8,850,884	730,364
Cash generated from operations	7,751,540	3,415,211
Taxes paid - net	(428,475)	(597,122)
Deposits received / (paid)	15,828,716	(15,828,716)
Net cash generated from / (used in) operating activities	23,151,781	(13,010,627)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale proceeds from disposal of long term investments	-	62,835,763
Capital expenditure incurred	(2,197,500)	(198,941)
Net cash (used in) / generated from investing activities	(2,197,500)	62,636,822
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowing	(2,000,000)	-
Net cash used in financing activities	(2,000,000)	-
Net increase in cash and cash equivalents (A+B+C)	18,954,281	49,626,195
Cash and cash equivalents at the beginning of the year	60,130,140	10,503,945
Cash and cash equivalents at the end of the year	79,084,421	60,130,140

The annexed notes from 1 to 26 form an integral part of these financial statements.

  
 Chief Executive

  
 Director