

# 2016 Annual Report



*Javed Omer Vohra & Company Ltd.*  
(Incorporated in Pakistan under the Companies Ordinance, 1984)



### OUR VISION

*Our vision is to be customer-focused, quality driven and growth oriented Company endeavoring to play an active role in the development of capital market and to ensure value to our clients by providing best quality service that meets or exceeds their needs while achieving favorable returns to the Company, its employee and shareholders.*

### OUR MISSION

*To realize our vision and fulfill our mission, we are committed to:*

- Promoting trust and strengthening long-term business relationships with our clients in order to discover and meet their needs.*
- Using a combination of proven and innovative professional skills to address clients needs and concerns.*
- Delivering high quality, accurate and timely services that represent value to our clients and generate profit for us.*

*As a growth oriented company, we are committed to provide a working climate that will make our people feel respected, fairly treated, listened to and involved. We're determined to create an environment in which we will offer all the employees an opportunity to learn, participate, contribute, be rewarded, grow and advanced based on excellence, not on politics.*

*To fulfill all our responsibilities being a good corporate citizen.*



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**JAVED OMER VOHRA & COMPANY LIMITED**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Muhammad Bilal Vohra  
Mrs. Ayesha Mubashir  
Mrs. Fatima Amir  
Ms. Afshan Farooqui  
Mrs. Saira Faraz

### **AUDIT COMMITTEE**

Ms. Fatima Amir *Chairman*  
Ms. Saira Faraz *Member*  
Mr. Farrukh Habib *Member*

### **AUDITORS**

NAVEED ZAFAR ASHFAQ JAFFERY & CO Chartered Accountants

### **LEGAL ADVISORS**

MS Mangrio & Co.

### **BANKERS**

United Bank Limited  
Bank Al-Falah Limited  
Summit Bank Limited  
MCB Bank Limited

### **SHARE REGISTRAR**

JWAFFS registrar services (Private) limited  
505, 5<sup>th</sup> Floor, Kashif Centre  
Near Hotel Mehran, Main Shahra-e-Faisal,  
Phone: 35643871-72, Fax: 35643873  
Email: [jwaffs@live.com](mailto:jwaffs@live.com)

### **REGISTERED OFFICE**

507-511, Karachi Stock Exchange Building, I.I. Chundrigar Road, Karachi.  
Telephone: (021)-32424051  
FAX: (021) 32415709  
E-MAIL: [jovcoltd@hotmail.com](mailto:jovcoltd@hotmail.com)



## JAVED OMER VOHRA & COMPANY LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-first Annual General Meeting of the Company will be held on Saturday, October 29<sup>th</sup>, 2016 at 08:30 AM at Hotel crown Inn Plot No.171 .off 21 AM, Frere Road, Saddar , Karachi to transact the following business:

#### ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting (adjourned) held on November 7<sup>th</sup>, 2015.
2. To consider and adopt the audited accounts of the company together with Director's and Auditor's report thereon for the year ended June 30, 2016.
3. To appoint Auditors and fix their remuneration for the year ended June 30,2017.
4. To transact any other business with the permission of chair.

By order of the board  
Sd/-

Karachi: October 6<sup>th</sup> 2016

(**Muhammad Bilal Vohra**)  
**Chief Executive Officer**

#### Notes:

1. The share transfer books of the Company will remain closed from October 22<sup>nd</sup>, 2016 to October 29<sup>th</sup>, 2016 (both days inclusive). Transfers received at JWAFFS Registrar Services (Private)) limited at 505, 5<sup>th</sup> Floor, Kashif Centre Near Hotel Mehran, Main Shahra-e-Faisal, Karachi.
2. A member eligible to attend and vote may appoint another member as his/her proxy to attend and vote in the meeting.
3. The instrument appointing the proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or other authority in order to be effective must be deposited at the Registered office of the Company, at least 48 hours before the time of holding the meeting.
4. The member who shares are deposited with Central Depository Company of Pakistan Limited (CDC) and /or their proxies are requested to bring their original Computerized National Identity Card (CNIC) or Passport along with the participant's ID Number and their account numbers in Central Depository Company of Pakistan Ltd. (CDC) to facilitate identification at the time of meeting.
5. The members are requested to timely notify any change in their addresses to JWAFFS Registrar Services (Private) limited at 505, 5<sup>th</sup> Floor Kashif Centre Near Hotel Mehran, Main Shahra-e-Faisal, Karachi.



## **DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

The Directors of the Company present their report together with the audited financial statements of the Company for the year ended June 30, 2016.

### **Economic & Market Review**

In fiscal year (ended 30 June 2016), the aggregate impact of the government's macroeconomic and structural reforms led to growth in Pakistan. There was a GDP growth of 4.71%, which is the highest achieved in last 8 years. Large scale manufacturing grew by 4.7% mainly led by chemicals, cements and automobiles. Factors such as improved security and reduction in oil prices led to growth numbers even higher than the forecasts despite a massive decline in cotton production. However, inflation and current account deficit for less than expected. On a positive note, however, the foreign exchanged reserves elevated resulting in a budget deficit shrink.

Externally, FX reserves rose to USD 23.1bn in June'16 as compared to USD 18.7bn in the same period last year. The improvements in the external sector helped in maintaining the exchange rate and IMF is expected to be completed now. Inflation remained under control which makes our future outlook for Pakistan positive with both consumption and investment le growth. Projects under CPEC are moving at fast pace towards completion, which, will bring about improvements in manufacturing and trade activities.

As far as the market is concerned, we saw a milestone being achieved this year by the merger of three stock exchanges into Pakistan Stock Exchange (PSX), which led to demutualization of the equity market in the country. This will help in decreasing market fragmentation and create a single yet stronger platform in providing technical expertise and assistance to attract strategic partnership.

The PSX-100 posted a modest return of about 8% in FY16 despite some major macro economic improvements probably because of a significant net foreign portfolio selling of USD 28mn during the year, the post effects of Brexit and political instability. All the negativities undermined the effects of the up gradation of Pakistan to MSCI Emerging Markets from frontier Markets announced in June'16.

However, we do believe that these factors will effects the market positively for a longer term in the future and this would increase the interest and faith of the investors in the market.

**FINANCIAL HIGHLIGHTS**

The summary of the financial results of the Company for the year ended 30 June, 2016 are as under.

	<b>2016 (Rupees)</b>	<b>2015 (Rupees)</b>
Brokerage Revenue	-	-
Dividend Income	1,209,081	673,493
Capital (Loss)/Gain on sale of investments	-	-
Gain on re-measurement of investments to fair value	13,381	18,226
(Loss) before taxation	(1,336,940)	(988,395)
Taxation-Current	(151,135)	-
-Prior	-	-
(Loss)/profit after taxation	(1,488,075)	(988,395)
(Loss)/ earnings per share-basic and diluted	(0.03)	(0.02)

**Auditor's Observation**

The Auditors has drawn attention to note 1.3 to the accompanying financial statements which explains that the Company incurred a net loss of Rs. 1.488 million for the year ended June 30, 2016. However, as of that date, the Company's current liabilities exceeded its current assets by Rs. 238.464 million and there is a negative equity of Rs. 195.446 million. The Company is also suffering liquidity problems due to the suspension of trading. One of the banks filed a suit against the Company for the recovery of outstanding amount however the same was withdrawn after settlement agreement entered with the bank. However, during the year, the company has entered into settlement agreements with the banks to settle its outstanding liabilities through transfer of various assets of the company. Further, a formal plan to revive the Company including capital injection has not been formulated by the Board of Directors of the Company.

These events indicate that the going concern assumption used by the management; as indicated in Note 1.3 to these financial statements is not appropriate, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

**Explanation with regard to afore mentioned auditors' qualification**

As narrated in note 1.3 to the financial statements, management is confident that the going concern assumption is appropriate for the reasons as stated below:

The Company incurred a net loss of Rs. 1.488 million for the year ended June 30, 2016. However, as of that date, the Company's current liabilities exceeded its current



assets by Rs. 238.464 million and there is a negative equity of Rs. 195.446 million. The Company is also suffering liquidity problems due to the suspension of trading. One of the banks filed a suit against the Company for the recovery of outstanding amount however the same was withdrawn after settlement agreement entered with the bank. However, the company has finally entered into the settlement agreements with the banks and the execution of it is in process. These financial statements have been prepared on the assumption, that the Company would continue as a going concern based on the following:

The company entered into settlement agreement with lender banks to settle outstanding liabilities towards them through transfer of various assets of the company as full and final settlement. After the transfer of the assets all the liabilities of JOVC towards the bank will be settled and will not appear in the books and will strengthen the liquidity position. To date various assets has been transferred as stated in Note 16. Remaining assets will be transferred in due course of time.

## **Future Outlook**

As the economy is moving towards some stability with projects under CPEC lined for completion, we believe it will help Pakistan improve its trading and manufacturing activities. The merger of the stock exchanges as well as Pakistan emerging in MSCI space from Frontier will turn out to be fruitful for the economy.

Keeping in mind the above improvements, the future looks quite encouraging.

## **Social Obligation**

The Company paid no donation during the year.

## **Compliance with Code of Corporate Governance**

The Directors are pleased to report compliance according to the provision of Code of Corporate Governance as stated in Statement of Compliance and confirm that:

- The Financial Statements present fairly the state of affairs of the Company, the results of its operations, Cash Flow Statement and statement of Changes in Equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- Approved Accounting Standard, as applicable in Pakistan, have been followed in preparation of financial statements.





## JAVED OMER VOHRA & COMPANY LIMITED

- The Board of directors has not appointed an individual to carry out internal audit of the Company.
- The management feels that the Company will revive from the adverse financial situation and hence as narrated in note 1.3 to the accompanying financial statements we believe that there are no significant doubts upon the Company's ability to continue as going concern.
- There has been material departure from the best practices of code of corporate governance, as stated in Statement of Compliance with Code of Corporate Governance

### Key Financial Data

Statement of key operating and financial data of last six years in summarized form is enclosed.

### Board Meetings

Three meetings of the Board of Directors was held during the year from 01 July 2015 to 30 June 2016. The attendance of directors at board meetings was as below:

NAME OF DIRECTOR	ATTENDANCE
Mr. Muhammad Bilal Vohra	4
Mrs. Ayesha Mubashir	4
Mrs. Fatima Amir	4
Mrs. Sara Faraz	4
Ms. Afshan Farooqui	1

### Appointment of Auditors

Retiring auditors M/s NAVEED ZAFAR ASHFAQ JAFFERY Chartered Accountants did not offer themselves for re-appointment at the Annual General Meeting. The Audit Committee has recommended for appointment of M/s NAVEED ZAFAR ASHFAQ JAFFERY & CO Chartered Accountants for the year ending June 30, 2017.

### Pattern of Shareholding

Statement of Pattern of Shareholding as on June 30, 2016, prepared in accordance with the requirements of Code of Corporate Governance, is annexed.



**JAVED OMER VOHRA & COMPANY LIMITED**

## **Acknowledgement**

We wish to place on record our gratitude to the valued clients, regulatory authorities, banks & financial institutions and also to the shareholders for their confidence and continued support. We also appreciate the efforts and dedication shown by the staff for the Company's affairs successfully.

**For and on behalf of Board of Directors.**

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**Muhammad Bilal Vohra**  
Chief Executive

Karachi: October 3<sup>rd</sup>, 2016



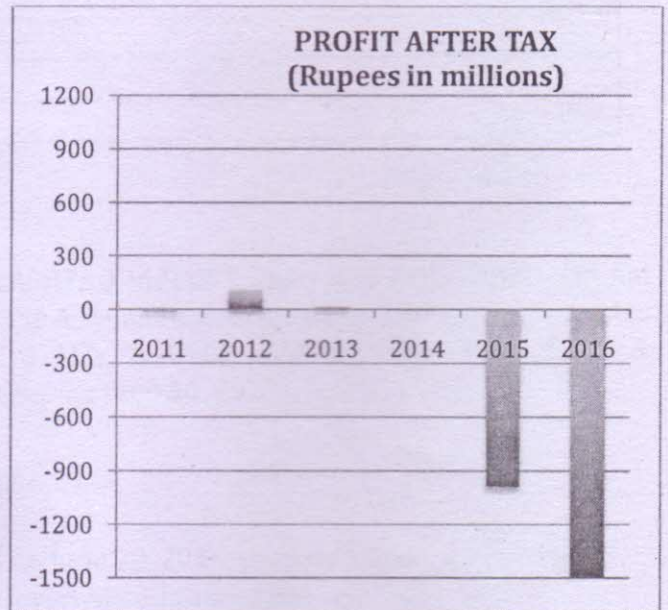
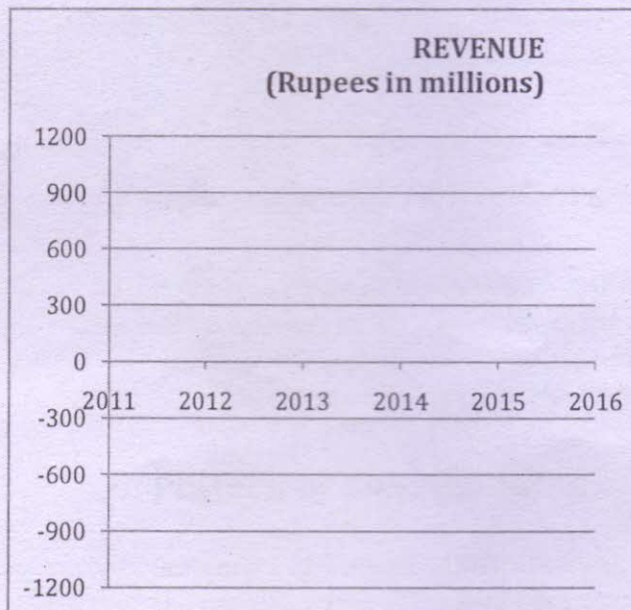
## FINANCIAL HIGHLIGHTS

Rs. In '000

OPERATING RESULTS	2011	2012	2013	2014	2015	2016
Revenues	1729	0	0	0	0	0
Profit/(loss) before tax	(12,953)	113,659	17,038	(1,753)	(1,753)	(1,336)
Profit/(loss) after tax	(12,953)	113,659	17,038	(1,753)	(1,753)	(1,488)

VALUATION						
Earning/(loss) per share	(0.25)	2.24	0.34	(0.03)	(0.03)	(0.03)
Break-up value	(0.63)	(0.41)	(0.16)	(0.38)	(0.38)	(0.45)
Dividends (%)						
Cash	-	-	-	-	-	-
Bonus	-	-	-	-	-	-

FINANCIAL POSITION						
Total Assets	67,913	177,110	195,785	123,493	123,493	30,972
Shareholder's equity	(321,913)	(208,254)	(191,216)	(192,970)	(192,970)	(192,970)
Shares Outstanding	50,820	50,820	50,820	50,820	50,820	50,820

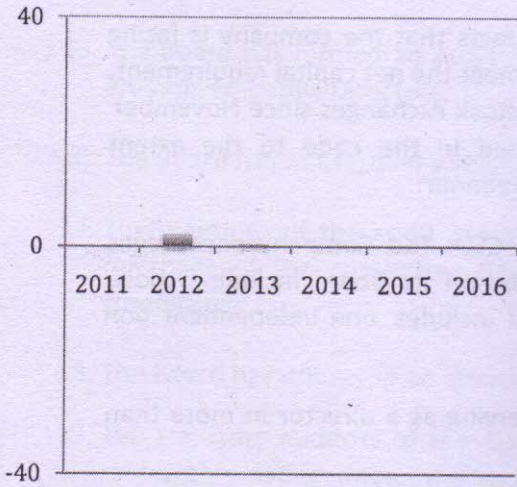




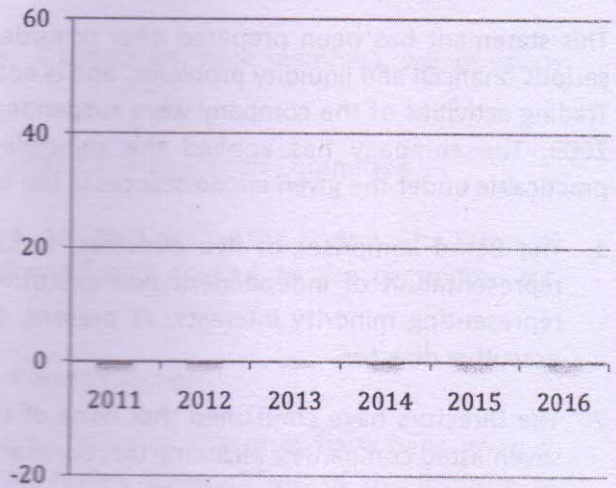


# JAVED OMER VOHRA & COMPANY LIMITED

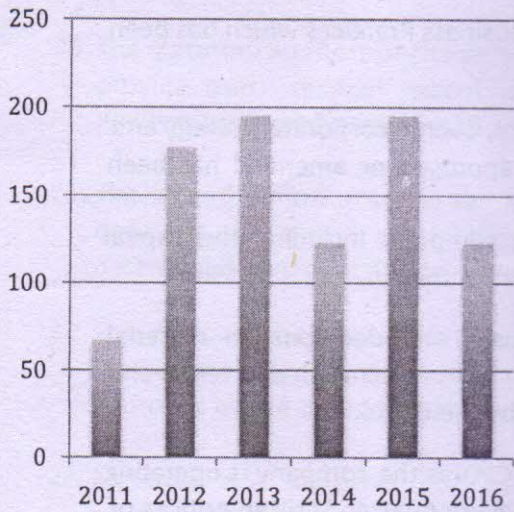
### Earnings Per Share (Rupees in millions)



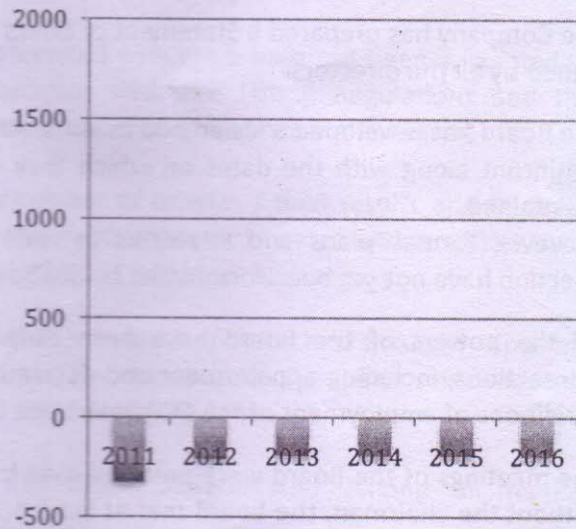
### Break up value (Rupees in millions)



### Total Assets (Rupees in millions)



### Shareholder's Equity (Rupees in millions)



## **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016**

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Clause 5.19 of the Rule Book of Pakistan Stock Exchange (formally Karachi Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

This statement has been prepared after considering the facts that the company is facing serious financial and liquidity problems, and is not able to meet the net capital requirement. Trading activities of the company were suspended by the stock exchanges since November 2009. The company has applied the principles contained in the code to the extent practicable under the given circumstances in the following manner:

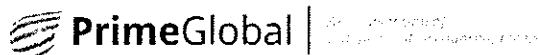
1. The Board comprises of five directors, including the CEO. The Company encourages representation of independent non-executive directors on its Board including those representing minority interests. At present, the Board includes one independent non executive director.
2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a member of a stock exchange, has been declared as a defaulter by the stock exchange.
4. No casual vacancy occurred during the period.
5. The Company has prepared a Statement of Ethics and Business Practices which has been signed by all the directors.
6. The Board has developed a vision and mission statement, overall corporate strategy and significant along with the dates on which they were approved or amended has been maintained.  
However, formal plans and strategies to revive the company including the capital injection have not yet been formulated by the Board of directors.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the CEO as the company is operating without the chairman, the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board did not arranged orientation courses for its directors during the financial year to apprise them of their duties and responsibilities.
10. The company is operating without CFO, Company Secretary and Head of Internal audit has been made during the year.
11. The Directors' Report for this period has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed only by the CEO before approval of the Board as currently the CFO is not employed by the company.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has not complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, two of which are non-executive Directors.
16. The Board has not formed a Human Resource and Remuneration Committee.
17. The meetings of the audit committee were not held during the period .The terms of reference of the committee have been formed and advised to the committee for compliance.
18. The Board has not setup an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim / final results and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. The company has not complied with all the major corporate and financial reporting requirements to the code. All related parties transactions has been reviewed and approved by the Board and are carried out as per agreed terms.
23. Material/Price sensitive information has been disseminated among all market participants at once through the stock exchange.
24. We confirm that all other material principles contained in the Code have been complied with except for the matters disclosed in the above paragraphs.

**Muhammad Bilal Vohra**  
Chief Executive

Karachi:  
Date: 3-10-2016

A member firm of



**REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE  
WITH THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Javed Omer Vohra & Company Limited ("the company")** for the year ended June 30, 2016 to comply with the requirements of Regulations 5.19 of the Rule Book of Pakistan Stock Exchange (formerly Karachi Stock Exchange) where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length terms and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.


Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Management Company for the year ended June 30, 2016.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the note/paragraph reference where these is/are stated in the Statement of Compliance:

- I. As disclosed in point 1 of the statement, the Board comprise of five directors which is violation of clause (i) of the code.
- II. As disclosed in point 8 of the statement, the company is operating without chairman of the board and all the meetings of the board were presided by the CEO which is violation of clause (vii) of the code.
- III. As disclosed in point 9 of the statement, the Board did not arranged orientation courses for its directors during the financial year to apprise them of their duties and responsibilities as required under clause (xi) of the code.
- IV. As disclosed in point 12 of the statement, the consideration has not been given by the CFO as required under clause (xxi).
- V. As disclosed in point 14 of the statement, the board of director has not complied with clause (xviii) of the code.
- VI. As disclosed in point 16 of the statement, the board of director has not complied with clause (xxv) of the code.
- VII. As disclosed in point 17 of the statement, the board of director has not complied with clause (xxvii) of the code.
- VIII. As disclosed in point 18 of the statement, the board of director has not complied with clause (xxxii) of the code

Karachi

Dated: 03 OCT 2016

  
**Naveed Zafar Ashfaq Jaffery & Co**  
Chartered Accountants



### AUDITOR'S REPORT TO THE MEMBER

We have audited the annexed balance sheet of the **Javed Omer Vohra & Company 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) The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, as discussed in Note 1.3 to these financial statements. As stated in the said note, the company has incurred a net loss of Rs. 1.488 million for the year ended June 30, 2016, and the company's current liabilities exceeded its current assets by Rs.238.464 million with a negative equity of Rs.195.446 million.

As mentioned in Note 1.2, the brokerage activities of the Company were suspended on 23<sup>rd</sup> November, 2009 due to inability of the Company to maintain the required net capital balance in accordance with Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971 which has further resulted in severe liquidity problems and consequently the company was unable to honor its obligation, due to which a recovery suit had been filed by one of the banks for the outstanding amount including mark-up overdue since 2009. The Company had, in the past, entered into restructuring agreement with the bank which has been defaulted. In 2014 the

12/10/16

company entered into settlement agreements with the banks to settle its outstanding liabilities through transfer of various assets of the company.

No formal plan to revive the company including capital injection has been formulated by the board of directors of the company.

These events indicate that the going concern assumption used by the management; as indicated in Note 1.3 to these financial statements is not appropriate, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

- b) As fully explained in note 5, one of the running finance facilities from the banks was restructured into a term finance facility on 14<sup>th</sup> January 2010. In this respect, the first installment of interest component, which was due on 13<sup>th</sup> April 2010, and the installment of the principal amount commencing from October 13, 2011, was not paid. The management contends that out of the total amount due of Rs 107.82 million, the company is only liable to repay the principal component of Rs 80.44 million in 14 equal quarterly installments of Rs 5.8 million commencing from October 13, 2011, and at the end of the term, if the aforementioned installments are paid on the due dates, the bank would waive the balance amount. However, in case of default, the company, in addition to the total loan amount of Rs. 107.82 million, will also be liable to pay the installment of interest component aggregating to Rs. 77 million (based on 3 month KIBOR plus 11.74%) and liquidated damages at the rate of 20% of outstanding balance.

The company, however defaulted the restructuring agreement, and did not accrue mark-up of Rs. 81 million on the term finance. However, had the company followed the repayment schedule of the restructured agreement, interest aggregating to Rs. 81 million would have been recognized in the financial statements.

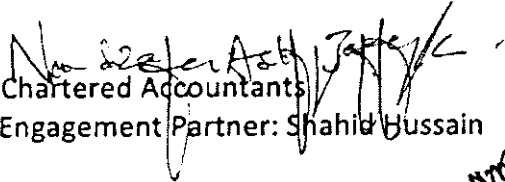
- c) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

In our opinion :

- (i) the balance sheet and profit and loss account together with the notes thereon have not 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;
- e) *in our opinion, because of the significance of the matters discussed in paragraphs(a) and (b), 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 do not conform with approved accounting standards as applicable in Pakistan and do not give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2016, and of the profit, its cash flows and changes in equity for the year then ended; and*
- g) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

  
Chartered Accountants  
Engagement Partner: Shahid Hussain

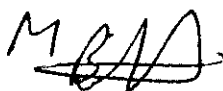
Karachi

Date: 03 OCT 2016

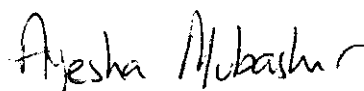
**JAVED OMER VOHRA & COMPANY LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2016**

	Note	2016	2015
		Rupees	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
75,000,000 (2015:75,000,000) Ordinary shares of Rs.10 each		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up share capital	4	508,200,000	508,200,000
Accumulated loss		<u>(703,646,908)</u>	<u>(702,158,833)</u>
		<u>(195,446,908)</u>	<u>(193,958,833)</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Term Finance	5	68,615,552	68,615,552
Running finance under mark-up arrangements - secured	6	60,067,914	71,828,414
Interest and mark-up accrued	7	77,911,980	77,911,980
Creditors, accrued and other liabilities	8	14,206,810	12,802,497
Provision for taxation - net	9	27,230,394	27,230,394
		248,032,650	258,388,837
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>52,585,741</u></u>	<u><u>64,430,005</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	7,283,334	7,429,102
Intangibles	11	1,909,091	1,909,091
Long term deposits	12	2,853,500	2,853,500
		12,045,925	12,191,693
<b>Current assets</b>			
Investments	13	5,143,237	5,129,806
Advances and other receivables	14	203,885	203,885
Cash and bank	15	4,220,609	4,172,036
		9,567,731	9,505,727
Assets held for sale	16	30,972,085	42,732,585
Contingencies and commitments	17	-	-
<b>TOTAL ASSETS</b>		<u><u>52,585,741</u></u>	<u><u>64,430,005</u></u>

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



Chief Executive Officer

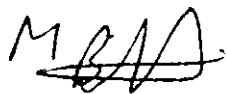


Director

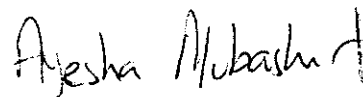
**JAVED OMER VOHRA & COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30,2016**

	Note	2016 Rupees	2015
Dividend income on PSX shares		1,209,081	1,021,880
Gain on re-measurement of investments to fair value	13.1	13,381	18,226
Administrative expenses	18	<u>(2,558,753)</u> (1,336,290)	<u>(2,264,900)</u> (1,224,795)
Other operating income	19	<u>502</u> (1,335,788)	<u>238,000</u> (986,795)
Finance cost	20	(1,152)	(1,600)
<b>Loss before taxation</b>		<u>(1,336,940)</u>	<u>(988,395)</u>
Taxation		(151,135)	-
<b>Loss after taxation</b>		<u>(1,488,075)</u>	<u>(988,395)</u>
Loss per share - Basic and diluted	22	<u>(0.03)</u>	<u>(0.02)</u>

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



Chief Executive Officer

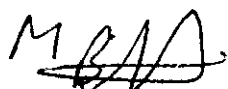


Director

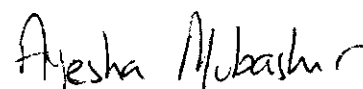
**JAVED OMER VOHRA & COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016	Rupees	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before taxation		(1,336,940)		(988,395)
<b>Adjustment for non cash items:</b>				
Depreciation	10.1	145,767		159,265
(Gain) on remeasurement of investments to fair value		(13,381)		(18,226)
Finance cost	20	1,152		1,600
Cash (used in) operating activities before working capital changes		<u>(1,203,403)</u>		<u>(845,755)</u>
Decrease in current assets				
Increase in current liabilities				
Creditors, accrued and other liabilities		1,404,313		870,877
Taxes paid		(151,185)		-
Finance cost paid		(1,152)		1,600
Net cash inflow from operating activities		<u>48,573</u>		<u>23,554</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
		-		-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
		-		-
Net increase in cash and cash equivalents		<u>48,573</u>		<u>23,554</u>
Cash and cash equivalents at the beginning of the year		4,172,036		4,148,482
Cash and cash equivalents at the end of the year	15	<u>4,220,609</u>		<u>4,172,036</u>

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



Chief Executive Officer

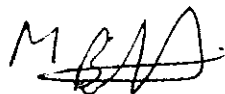


Director

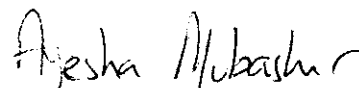
**JAVED OMER VOHRA & COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Issued, subscribed and paid-up share capital	Accumulated (loss) /profit	Total
	----- Rupees -----		
Balance as at July 1, 2014	508,200,000	(701,170,438)	(192,970,438)
<b><u>Total Comprehensive income for the year</u></b>			
Loss for the year ended June 30, 2015		(988,395)	(988,395)
Balance as at June 30, 2015	<u>508,200,000</u>	<u>(702,158,833)</u>	<u>(193,958,833)</u>
<b><u>Total Comprehensive income for the year</u></b>			
Loss for the year ended June 30, 2016		(1,488,075)	(1,488,075)
Balance as at June 30, 2016	<u><u>508,200,000</u></u>	<u><u>(703,646,908)</u></u>	<u><u>(195,446,908)</u></u>

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



Chief Executive Officer

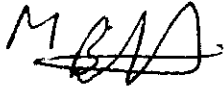


Director


**JAVED OMER VOHRA & COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016 Rupees	2015
Loss for the year		(1,488,075)	(988,395)
Other comprehensive income		-	-
<b>Total comprehensive Loss for the year</b>		<u>(1,488,075)</u>	<u>(988,395)</u>

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



**Chief Executive Officer**



**Director**



**JAVED OMER VOHRA & COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**1. STATUS AND NATURE OF BUSINESS**

**1.1** Javed Omer Vohra & Company Limited ("the Company") was incorporated in Pakistan on 29 December 1992 as a public limited company under the Companies Ordinance, 1984 and is listed on all the stock exchanges in Pakistan. The Company is a Trading Right Entitlement Certificate ("TREC") holder of the Karachi Stock Exchange Limited. The registered office of the Company is located at 507-511, Karachi Stock Exchange Building, I. I. Chundrigar Road, Karachi. Its principal activities include trading and brokerage for equities, underwriting of public issues, etc. .

**1.2** On 23 November 2009, the brokerage activities of the Company were suspended due to inability of the Company to maintain the required net capital balance in accordance with Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971.

**1.3 Basis for going concern assumptions**

The Company has incurred a net loss of Rs. 1.488 million for the year ended June 30, 2016. However, as of that date, the Company's current liabilities exceeded its current assets by Rs. 238.464 million and there is a negative equity of Rs. 195.446 million. The Company is also suffering liquidity problems due to the suspension of trading. One of the banks filed a suit against the Company for the recovery of outstanding amount however the same was withdrawn after settlement agreement entered with the bank. These financial statements have been prepared on the assumption, that the Company would continue as a going concern based on the following:

The company entered into settlement agreement with lender banks to settle outstanding liabilities towards them through transfer of various assets of the company as full and final settlement. After the transfer of the assets all the liabilities of JOVC towards the bank will be settled and will not appear in the books and will strengthen the liquidity position. To date various assets has been transferred as stated in Note 16. Remaining assets will be transferred in due course of time.

The Securities and Exchange Commission of Pakistan (SECP) has passed an order dated 10 September 2009 against Corporate Business Management (Private) Limited (CBML), under the voluntary winding up directing its liquidator to pay **Rs. 175 million** to the Company in view of the losses caused to the Company due to fall in share price of Crescent Standard Investment Bank Limited (now merged into Innovative Housing Finance Limited and renamed as Innovative Investment Bank Limited (CSIBL)) subsequent to sale of 24.5 million shares of CSIBL to the Company, on account of certain price sensitive information held by directors one of whom was the CEO of CBML during financial year 2006. In the year 2010, CBML has again filed an appeal against the aforementioned order which is still pending. The Company still feels that the decision of the case will be in favour of the Company and they will receive the due amount in the forth coming year.

The company is operating with 5 directors as againsts requirement of 7 directors as per listing regulation of the Pakistan Stock Exchange Limited.

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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 as notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives, issued under Companies Ordinance 1984, shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and has been rounded off to the nearest Rupee.

### 2.4 Use of estimates and judgement

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and 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 the judgements 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 recognised 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.

The estimates and judgements that have a significant effect on the financial statements are in respect of the following:

- Investments
- Residual values and useful lives of property and equipments
- Recognition of taxation and deferred taxation
- Staff retirement benefits
- Trade debts and other receivables
- Loans
- Intangible assets

### Amendments / interpretations to existing standards and forthcoming requirements

#### Standards, amendments or interpretations which became effective during the year

There were certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), interpretations which became effective during the year but are not considered to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

#### Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

Amendments to IAS 38 Intangible Assets and IAS 16 - 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements and (AS 28 - 'Investments in Associates and Joint Ventures') (effective for annual periods beginning on or after 01 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity;

and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 01 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 411 (effective for annual periods beginning on or after 01 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 - 'Agriculture'. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 01 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 01 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendment is likely to result in additional disclosure in Company's financial statements.

Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 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 expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

**Annual Improvements 2012-2014 cycles (amendments effective for annual period beginning on or after 01 July 2016).** The new cycle of improvements contain amendments to the following standards.

IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations'. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

IFRS 7 - 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

IAS 19 - 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

The above improvements to standards are not likely to have material / significant impact on Company's financial statements.

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **Staff retirement benefits**

#### ***Defined benefit plan***

The Company operates an approved funded defined benefit plan - gratuity scheme for its permanent employees. Contributions are made annually to the fund on the basis of actuarial recommendations.

Actuarial gains or losses arising from adjustments and changes in the actuarial assumptions which are in excess of 10% of the fair value of the plan assets or 10% of the defined benefit obligations are charged or credited to income over the employees' expected average remaining working lives.

Actuarial valuation of the fund is undertaken at appropriate regular intervals IAS-19 mandates the use of Projected Unit Credit (PUC) Actuarial Cost Method to determine the benefit obligations for a post-employment defined benefit scheme (such as gratuity scheme of the Company). PUC provides the benefit obligations assuming that the entity/benefit scheme will continue to exist in its present form in future. The benefit obligations and related accounting disclosures are determined on the basis that most of the employees will resign in the forthcoming year.

### **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity respectively.

#### ***Current***

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for current tax includes adjustments to charge for prior years, if any.

#### ***Deferred***

Deferred tax is provided using the balance sheet method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available



against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Normal repairs and maintenance are charged to income, as and when incurred. Subsequent expenditure is capitalised only when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Capital work-in-progress is stated at cost less impairment losses, if any.

Depreciation is charged to profit and loss account by applying reducing balance method at the rates specified in note 11 to these financial statements. Depreciation on additions is charged from the month in asset is available for use and on disposal up to the month the asset is in use.

Gains or losses on disposal of property and equipment, if any, are taken to profit and loss account currently.

The carrying value of Company's property and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying value of the asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

### 3.4 Intangible assets

Intangible assets with indefinite life are stated at cost less impairment losses, if any. Intangible assets with finite useful life are stated at cost less amortisation and impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates and cost of the item can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets with indefinite useful lives are not amortised instead they are systematically tested for impairment at each balance sheet date. Intangible assets with finite useful lives are amortised at straight line basis over the estimated useful life of the asset.

### 3.5 Investments

All investments are initially recognised at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

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 at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories:

***Financial assets 'at fair value through profit or loss - held-for-trading'***

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations ■

prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

#### ***Held-to-maturity investments***

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

#### ***Available for sale***

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, 'available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken in other comprehensive income. However, any premium or discount on acquisition of debt securities is amortised and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

Unquoted equity securities are valued at cost less impairment losses, if any.

#### **Trade debts and other receivables**

Trade debts and other receivables are recognised at fair value and subsequently measured at amortised cost less impairment losses, if any. 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 the original terms of receivables where as debts deemed uncollectible are written off.

#### **Revenue recognition**

Brokerage income is recognised as and when such services are provided.

Capital gains and losses on sale of marketable securities are included in the profit and loss account in the period in which they arise.

Unrealised gains or losses arising from mark to market of investments at fair value through profit or loss account - held for trading are included in profit and loss account in the period in which they arise.

Dividend income is recognised when the right to receive is established.

Underwriting commission is recognised when the agreement is executed.

Mark-up income on bank deposits are recognised on a time proportion basis that takes into account the effective yield.

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

Cash and cash equivalents comprise of cash balances. For the purpose of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the Company's cash management excluding the loan which were not repaid on the due date.

#### **Financial instruments**

All financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account currently.

### 3.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.11 Foreign currencies

Foreign currency transaction are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange approximating those ruling at the balance sheet date. Exchange gains or losses are taken to profit

### 3.12 Impairment

The carrying value of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount and the resulting impairment is charged to profit and loss account.

### 3.13 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

### 3.14 Provisions

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

### 3.15 Earning per share

Earning per share is calculated by dividing the profit / loss after tax for the year by the weighted average number of shares outstanding during the year.

### 3.16 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

### 3.17 Borrowing cost

Borrowing cost are interest or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

			Note	2016	2015
				Rupees	
4.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL				
	2016	2015			
	Number of shares				
	4,000,000	4,000,000	Ordinary shares of Rs. 10 each fully paid in cash	40,000,000	40,000,000
	46,820,000	46,820,000	Ordinary shares of Rs. 10 each issued as bonus shares	468,200,000	468,200,000
	<u>50,820,000</u>	<u>50,820,000</u>		<u>508,200,000</u>	<u>508,200,000</u>

5. TERM FINANCE

Loan	5.1	51,178,130	51,178,130
Accrued mark-up		17,437,422	17,437,422
		<u>68,615,552</u>	<u>68,615,552</u>

5.1 On 14 January 2010, the running finance facility of Summit Bank Limited (Formerly: Arif Habib Bank Limited) was restructured as long term finance facility. As per the agreement and understanding with the bank, the Company is liable to repay the principal component of Rs. 81 million in quarterly installments over five years (including a grace period of 18 months) at a mark-up rate of 3 months KIBOR plus 11.74 % per annum and is secured against present and future current assets of the Company. Furthermore, at the end of the term, the bank may waive outstanding frozen mark-up of Rs. 17.4 million, principal amount of Rs. 9.56 million and mark-up for the whole tenor [detailed in note 5.1 (c)] upon punctual re-payments of installments of principal at the end of loan term.

The major covenants as per the agreement of the loan are as follows:

- Not to borrow any money or moneys or avail any other finance or mark-up facility from any bank, financial institution or any other person if the same shall effect, prejudice and / or otherwise jeopardise the Customer's ability to pay the purchase price to the bank.
- Not to transfer, sell, charge or in any way encumber the assets charged to the bank, to the detriment of the bank.
- The bank may in it's absolute discretion freeze and / or waive the mark-up on the restructured faculty. However, the bank shall neither freeze the mark-up nor waive the same if the Company commits a default in payment of any installment of the principal component of the purchase price due under the term finance agreement or defaults in fulfilling in any obligation to the bank under the term finance agreement, this restructuring or the security documents. If any default as aforesated occurs, the customer shall become liable to pay the mark-up component of the purchase price immediately upon the demand of the bank from the date of term finance agreement up to the date of demand and the customer shall be obliged to pay all future mark-up components of the purchase price to the bank for the remaining tenor of the restructured facility
- In case of default, the Company agrees and undertakes to pay to the bank liquidated damages of 20% of the outstanding purchase price. The total agreed purchase price of the loan amounted to Rs. 184 million.
- The company defaulted in the repayment of the long term loan and as per the clause of restructuring agreement in case of default the whole amount will be immediately payable therefore the company classified the term finance as current liability. In 2014 the company entered into settlement agreement with the bank to settle the term finance through transfer of various assets of the company. During the last year the company has transferred 28 Golf club platinum membership of worth Rs. 39.2 million to bank and therefore the term finance amount was reduced with same amount. During the current year no asset was transferred to the bank.

	Note	2016	2015
		Rupees	
<b>6. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - SECURED</b>			
Bank Alfalah Limited	6.1	60,067,914	71,828,414
		<u>60,067,914</u>	<u>71,828,414</u>

5.1 This represent short-term running finance facility obtained from Bank Alfalah Limited amounting to Rs. 500 million (2011: Rs. 500 million) at a mark-up rate of 3 months KIBOR (ask side) plus 3% with a floor at 11.50% per annum (2011: 3 month KIBOR (ask side) plus 1.5% with a floor of 11.50% per annum). The facility was expired on 31 August 2009 and has not been renewed. The facility is secured against the pledge of various shares having market value of Rs. 13.338 million at 30 June 2012 and personal property of Mr. Javed Omer Vohra. After negotiations, the



- 6.1 Company has transferred all the pledge shares in the CDC account of the bank. The mark-up is overdue since 2009 and therefore the total amount has been classified as current. On 18 August 2010, the bank has filed a suit against the Company for recovery of the outstanding amount. In May 2014, the company entered into settlement agreement with the bank to settle outstanding liability through transfer of various assets. During the year the bank has sold the pledged shares of Balochistan Glass and Kohinoor Sugar Mills Limited amounting to Rs.11.760 million therefore the liability of the company has been reduced.

7. INTEREST AND MARK-UP ACCRUED	2016	2015
	Rupees	
Bank Alfalah Limited	<u>77,911,980</u>	<u>77,911,980</u>
	<u><u>77,911,980</u></u>	<u><u>77,911,980</u></u>

8. CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	920,900	820,940
Accrued expenses	8,172,340	6,867,987
Unclaimed dividend	4,113,570	4,113,570
Other liabilities	<u>1,000,000</u>	<u>1,000,000</u>
	<u><u>14,206,810</u></u>	<u><u>12,802,497</u></u>

9. TAXATION

9.1 Tax assessments

The Additional Commissioner of Income Tax has re-opened the assessment for the tax years 2003 to 2005 and raised an additional tax demand of Rs. 11.4 million in respect of various matters, which includes allocation of expenses, disallowance of rebate on donation, disallowance of set off of business losses. The Company has filed appeals with the CIT (A) against the aforementioned orders and the management is confident that the outcome of the appeals will be in favour of the Company. Adequate provision has been recognised against these demands. Since 2011 the company has not paid the outstanding tax liability.

- 9.2 Deferred tax asset has not been recognised on the provision for doubtful debts and taxable losses as it is not probable that future taxable profits will be available against which such assets can be utilized.

10. PROPERTY AND EQUIPMENTS	Note	2016	2015
		Rupees	
Property and equipments	10.1.	<u>7,283,334</u>	<u>7,429,102</u>

## 10.1 PROPERTY AND EQUIPMENT

Note	Leased	Owned				
	Leasehold premises	Furniture & fixture	Office equipment	Computers	Vehicles	Total
----- Rupees -----						
<b>Year ended June 30, 2015</b>						
Opening net book value	6,794,292	130,723	615,049	48,050	254	7,588,368
Additions	-	-	-	-	-	-
<b>Disposal</b>						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Depreciation charge for the year	68,622	13,072	61,505	16,015	51	159,265
<b>Closing net book value</b>	<b>6,725,670</b>	<b>117,651</b>	<b>553,544</b>	<b>32,035</b>	<b>203</b>	<b>7,429,102</b>
<b>At June 30, 2015</b>						
Cost	13,500,000	1,194,125	2,206,253	2,952,253	27,648	19,880,279
Accumulated depreciation	(1,259,057)	(1,076,475)	(1,652,709)	(2,920,218)	(27,445)	(6,935,904)
Impairment	(5,515,273)	-	-	-	-	(5,515,273)
Net book value	6,725,670	117,650	553,544	32,035	203	7,429,102
<b>Year ended June 30, 2016</b>						
Opening net book value	6,725,670	117,650	553,544	32,035	203	7,429,101
Additions	-	-	-	-	-	-
Depreciation charge for the year	67,929	11,765	55,354	10,677	41	145,767
<b>Closing net book value</b>	<b>6,657,741</b>	<b>105,885</b>	<b>498,190</b>	<b>21,358</b>	<b>162</b>	<b>7,283,334</b>
<b>At June 30, 2016</b>						
Cost	13,500,000	1,194,125	2,206,253	2,952,253	27,648	19,880,279
Accumulated depreciation	(1,326,986)	(1,088,240)	(1,708,063)	(2,930,895)	(27,486)	(7,081,671)
Impairment	(5,515,273)	-	-	-	-	(5,515,273)
Net book value	6,657,741	105,885	498,190	21,358	162	7,283,334
Depreciation rate	1.01%	10%	10%	33.33%	20%	

On 1 April 2010, a valuation of company's leasehold premises were carried out by Iqbal A Nanjee & Co(Private) Limited. The valuation was resulted in impairment of Rs.27,576,364 and accordingly recorded in the books of the relevant year.

0.1 PROPERTY AND EQUIPMENT

Note	Leased	Owned				Total
	Leasehold premises	Furniture & fixture	Office equipment	Computers	Vehicles	
----- Rupees -----						
<b>Year ended June 30, 2015</b>						
Opening net book value	6,794,292	130,723	615,049	48,050	254	7,588,368
Additions	-	-	-	-	-	-
<b>Disposal</b>						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Depreciation charge for the year	68,622	13,072	61,505	16,015	51	159,265
<b>Closing net book value</b>	<b>6,725,670</b>	<b>117,651</b>	<b>553,544</b>	<b>32,035</b>	<b>203</b>	<b>7,429,102</b>
<b>At June 30, 2015</b>						
Cost	13,500,000	1,194,125	2,206,253	2,952,253	27,648	19,880,279
Accumulated depreciation	(1,259,057)	(1,076,475)	(1,652,709)	(2,920,218)	(27,445)	(6,935,904)
Impairment	(5,515,273)	-	-	-	-	(5,515,273)
Net book value	6,725,670	117,650	553,544	32,035	203	7,429,102
<b>Year ended June 30, 2016</b>						
Opening net book value	6,725,670	117,650	553,544	32,035	203	7,429,101
Additions	-	-	-	-	-	-
Depreciation charge for the year	67,929	11,765	55,354	10,677	41	145,767
<b>Closing net book value</b>	<b>6,657,741</b>	<b>105,885</b>	<b>498,190</b>	<b>21,358</b>	<b>162</b>	<b>7,283,334</b>
<b>At June 30, 2016</b>						
Cost	13,500,000	1,194,125	2,206,253	2,952,253	27,648	19,880,279
Accumulated depreciation	(1,326,986)	(1,088,240)	(1,708,063)	(2,930,895)	(27,486)	(7,081,671)
Impairment	(5,515,273)	-	-	-	-	(5,515,273)
Net book value	6,657,741	105,885	498,190	21,358	162	7,283,334
Depreciation rate	1.01%	10%	10%	33.33%	20%	

0.2 On 1 Apr 2015 a valuation of company's leasehold premises were carried out by Iqbal A Nanjee & Co(Private) Limited. The valuation also resulted in impairment of Rs 27,576,364 and accordingly recorded in the books of the relevant year.

	Note	2016	2015
		Rupees	
<b>11. INTANGIBLE ASSETS</b>			
Trading Right Entitlement Certificate		1,909,091	1,909,091
		<u>1,909,091</u>	<u>1,909,091</u>

**12. LONG TERM DEPOSITS**

This includes Rs. 2.5 million (2015: Rs. 2.5 million) deposited with National Commodity Exchange Limited for rooms in Hyatt Regency.

	Note	2016	2015
		Rupees	
<b>13. INVESTMENTS</b>			
Held for trading at fair value through profit and loss	13.1	52,328	38,897
Available-for-sale	13.2	5,090,909	5,090,909
		<u>5,143,237</u>	<u>5,129,806</u>

**13.1 Held-for-trading**

**Quoted - equity securities**

Unless otherwise stated, holdings are in ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	Note	2016		2015
June 2016	June 2015			Carrying Value	Fair Value	Fair value /Carrying Amount
Rupees						
<b>OTHERS</b>						
135,500	135,500	Quice Food Industries Limited	13.1.3	-	-	-
1,706,000	1,706,000	Polyron Limited*	13.1.1	-	-	-
6,073,500	6,073,500	Southern Networks Limited*	13.1.2	-	-	-
11	11	Johnson and Philips (Pakistan) Limited		277	224	277
300	300	Mustehkam Cement Limited		38,670	52,104	38,670
				<u>38,947</u>	<u>52,328</u>	<u>38,947</u>
		Unrealised gain on account of remeasurement to fair value		13,381		
		<b>Carrying value of investments</b>		<u>52,328</u>		
		<b>Net carrying value</b>		<u>52,328</u>		<u>38,947</u>

\* As at 30 June 2016, these companies were listed on default counter of Karachi Stock Exchange.

**13.1.1** As at 30 June 2016, this Company was under suspension by KSE and was not traded in the market since 11 October 2007, as it has gone into winding up proceedings through the order passed by the High Court of Baluchistan.

**13.1.2** On 06 January 2009, The Karachi Stock Exchange Limited had placed the shares of the company on defaulters' counter through notice KSE/N-110, as the company has gone into liquidation through the Order passed by the High Court of Sindh. Trading in shares are suspended with effect from Tuesday, 13 January 2009.

**13.1.3** During the year ended 30 June 2009, the Company transferred 932,500 shares of Quice Food Industries Limited in its own name, however, 325,600 shares have not been transferred due to the fact that registrar has rejected these shares for the reason of being fake shares. Further in the previous year company received 142,500 shares and in the current year, the Company to received 47,600 from the original sellers and the balance of 135,500 shares are still represented as fake shares. Adequate provision has been recognised in respect of these shares.

### 3.2 Available-for-sale

#### Un-quoted - equity securities

Unless otherwise stated, holdings are ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	Note	2016		2015
June 2016	June 2015			Carrying Value	Fair Value	Fair value /Carrying Amount
----- Rupees -----						
140,676	140,676	Innovative Investment Bank Limited	13.4	-	-	-
10,000	10,000	Sunbiz (Private) Limited (face value Rs.100 per share)	13.2.1	-	-	-
4,007,383	4,007,383	Karachi Stock Exchange Limited	13.2.2	5,090,909	5,090,909	5,090,909
				<u>5,090,909</u>	<u>5,090,909</u>	<u>5,090,909</u>

3.2.1 The Company holds 10,000 shares of Sunbiz (Private) Limited (SL) having face value of Rs. 100 per share. As per the audited financial statements of the Sunbiz Limited for the year ended 30 June 2007 the shareholders equity is negative and the break-up value per share is Rs. 325 negative. Latest financial statements are not available for the purpose of calculating break-up value.

#### 3.2.2

Persuant to demutualization of the Karachi Stock Exchange ("KSE"), the ownership rights in stock exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the company received shares and TRE certificate from the KSE against its membership card which was carried at Rs.7 million in the books of the company. Based on the technical guide of ICAP dated Feb 25, 2013 the company has allocated its carrying value of the membership card of Rs.7 million in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investment have been recognized at Rs.5.090 million and TREC at Rs.1.909 million. On 11 November 2014, a valuation of the KSE shares were carried out by A.R. Bherwani & c.Lal. The valuer determined the market value of the shares at Rs.5,090,909.

3.3 The percentage of the shares held by the Company in the following investee companies are more than 10 percent.

Number of shares		Name of Investee	Percentage holding	
June 2016	June 2015		June 2016	June 2015
6,073,500	6,073,500		Southern Networks Limited	12.15

#### 3.4

In 2006, the Company acquired 24.5 million shares of Crescent Standard Investment Bank (now merged into Innovative Housing Finance Limited and renamed as Innovative Investment Bank Limited) (IIBL) from Corporate Business Management (Private) Limited (CBML) previously named as Crescent Standard Business Management (Private) Limited (CSBM). On 22 June 2006, the Securities and Exchange Commission of Pakistan (SECP) under the provision of Section 15B of the Securities and Exchange Ordinance, 1962, ordered CBML to pay Rs. 182.4 million to the Company.

This represent loss incurred by the Company due to fall in share price subsequent to sale of these shares on account of certain price sensitive information available with the directors (one of whom was the Chief Executive of Javed Omer Vohra & Company Limited) and Chief Executive of CBML at the time of sale. CBML filed an appeal before the Appellate bench of the Commission and after various hearing, the Commission in current year (when CBML went into voluntary liquidation) on 10 September 2009 in exercise of power under sub-section (3) of section 15B the Securities and Exchange Ordinance, 1962, again ordered CBML through its liquidator to pay Rs. 174.6 million to the Company, within the period of 30 days of the issuance of the order. However, the payment has not yet been received.

14.	ADVANCES AND OTHER RECEIVABLES	Note	2016 Rupees	2015 Rupees
	<b>Considered doubtful</b>			
	Advance to IIBL	14.1	34,000,000	34,000,000
	Provision against advance to IIBL	14.1	<u>(34,000,000)</u>	<u>(34,000,000)</u>
	<b>Considered good</b>			
	Receivable from defined benefit plan-gratuity	14.2	<u>173,105</u>	<u>173,105</u>
	Advances to staff	14.3	<u>30,780</u>	<u>30,780</u>
			<b>203,885</b>	<b>203,885</b>
			<u><b>203,885</b></u>	<u><b>203,885</b></u>

**14.1** In 2006, the Company advanced a sum of Rs. 165.6 million to Crescent Standard Investment Bank Limited (now merged into Innovative Housing Finance Limited and renamed as Innovative Investment Bank Limited (IIBL)) for the purpose of finance to be provided to Sysmax (Private) Limited for the extension and reconstruction of Defence Authority Country and Golf Club. In consideration of aforementioned amount, IIBL sub delegated / assigned its rights of 207 memberships Defence Authority Country and Golf Club to the Company (as security against the finance). On 23 October 2009, a settlement agreement was entered between the Company and IIBL. According to which IIBL will encumbrance 94 Defence Authority Country and Golf Club memberships in favour of the Company which will be treated as full and final settlement of outstanding amount. The market value of the memberships is approximately Rs. 131.6 million.

On 07 January 2010, deed of assignment / conveyance was entered between the Company and IIBL, according to the deed IIBL has sub assigned rights of 94 platinum memberships to the Company after acquiring full transfer rights from the Sysmax (Private) Limited by way of assignment / conveyance deed.

On 10 May 2010, the High court of Sindh awarded a decree in favour of IIBL and on this basis Company also applied in High Court of Sindh for execution. On 04 October 2010, the High Court of Sindh has issued an order for execution of decree and accordingly directions were issued to the administrator of Defence Housing Authority for the transfer/conveyance/ assignment of 94 platinum memberships. During the year 2012, the memberships were transferred to the Company.

**14.2 DEFINED BENEFIT PLAN - EMPLOYEES' GRATUITY FUND**

**General description**

The Company operates an approved gratuity fund for all its permanent employees, which is administered by the Board of Trustees. The Company's costs and contributions are determined based on an actuarial valuation carried out at appropriate regular intervals. The benefits under the gratuity scheme are payable on retirement at the age of 60 or on earlier cessation of service as under:

**14.2.1 Principal actuarial assumptions**

(a) The latest actuarial valuation of the scheme was carried out for financial statements for the year ended 30 June 2010. Actuarial method used by the actuary in the current year is as follows:

IAS-19 mandates the use of Projected Unit Credit (PUC) Actuarial Cost Method to determine the benefit obligations for a post-employment defined benefit scheme (such as gratuity scheme of the Company). PUC provides the benefit obligations assuming that the entity/benefit scheme will continue to exist in its present form in future. However, due to extraordinary circumstances benefit obligations and related accounting disclosures are determined based on the assumption that most of the employees will leave the Company in the forthcoming year and therefore total accumulated actuarial gains / losses have been recognised during the year.

(b) The actuarial valuation of the scheme for financial statements for the year ended June 30, 2016 were based on the following assumptions:

Discount rate	12%
Expected rate of increase in salary in future years	11%
Expected rate of return on plan assets	12%
Average expected remaining working life time of employees	11 years

	Note	2016 Rupees	2015
<b>2 Reconciliation of payable / (receivable) to defined benefit plan</b>			
Present value of defined benefit obligations	14.2.3	547,800	547,800
Fair value of plan assets	14.2.4	(720,905)	(720,905)
<b>Asset recognised in the balance sheet</b>		<u>(173,105)</u>	<u>(173,105)</u>

	Note	2016 Rupees	2015
<b>3 Movement in defined benefit obligation</b>			
Obligation as at 1 July 2015		547,800	547,800
Current service cost		-	-
Interest cost		-	-
Benefits paid	14.2.3.1	-	-
Actuarial gain on obligation		-	-
<b>Obligation as at 30 June 2016</b>		<u>547,800</u>	<u>547,800</u>

3.1 This include amount paid to employees who have resigned and rejoined the Company in the current and corresponding year.

	Note	2016 Rupees	2015
<b>4 Movement in fair value of plan assets</b>			
Fair value as at 1 July 2015		720,905	720,905
Expected return on plan assets		-	-
Contribution by the Company		-	-
Benefits paid		-	-
Actuarial loss on plan assets		-	-
<b>Fair value as at 30 June 2016</b>		<u>720,905</u>	<u>720,905</u>

	Note	2016 Rupees	2015
<b>5 Movement in (receivable) / payable to defined benefit</b>			
Balance as at 1 July 2015		(173,105)	(173,105)
Charge for the year	14.2.6	-	-
Contribution to the fund during the year - Company's contribution		-	-
<b>Balance as at 30 June 2016</b>		<u>(173,105)</u>	<u>(173,105)</u>

#### 7 Actual return on plan assets

The actual return on the assets during the year is:

Expected return on plan assets	-	-
Actuarial loss on plan assets	-	-
	<u>-</u>	<u>-</u>

#### Advance to staff

The Company has a policy of providing interest free loan to its permanent employees.

	Note	2016	2015
		Rupees	
<b>15. CASH AND BANK BALANCES</b>			
<b>Cash at banks:</b>			
- Current accounts		4,107,925	4,107,925
- Deposit account	15.1.	112,684	64,111
		<u>4,220,609</u>	<u>4,172,036</u>

15.1 This represents deposit account maintained with United Bank Limited carrying profit rate of 5% per annum (2015: 5% per annum).

#### 16. ASSETS HELD FOR SALE

16.1 On April 1, 2014 an agreement was entered into between the Company and Summit Bank Limited whereby Summit Bank Limited has agreed to settle the outstanding liability as appearing in note 5; in following manner:

- i) The Company shall sell / transfer / assign its rights in respect of 28 Golf Club Platinum Memberships worth Rs. 39.2 million in favor of Summit Bank Limited. The membership card was transferred in the prior years and credit was given by the bank.
- ii) The Company shall sell / transfer 1 of its Rooms / office (leasehold premises - refer note 10.1) bearing office no. 511 situated at Karachi Stock Exchange Building for an amount of Rs. 7 million in favor of Summit Bank Limited. To date the company is unable to transfer the said room due to legal complications.
- iii) The Company shall sell / transfer its membership of Pakistan Mercantile Exchange Limited for an amount of Rs. 4 million in favor of Summit Bank Limited. The company transferred the card in prior years and credit was given by the bank.

16.2 Similarly, on April 8, 2014, an agreement was entered into between Bank Alfalah Limited and the Company whereby Bank Alfalah Limited has agreed on settlement of outstanding amounts as appearing in notes 6 and 7; in following manner:

- i) The Company shall sell / transfer / assign its rights in respect of 51 Golf Club Platinum Memberships worth Rs. 71.4 million in favor of Bank Alfalah Limited. The company transferred the cards in the prior years and credit was given by the bank.
- ii) The Company shall sell / transfer 3 of its Rooms / offices bearing office no. 507, 508 and 509 situated at Karachi Stock Exchange Building for an amount of Rs. 21 million in favor of Bank Alfalah Limited. To date the company is unable to transfer the said rooms due to some legal matters.
- iii) The Bank Alfalah Limited shall enforce its pledge over 4,401,596 shares of Balochistan Glass Limited by selling the same to any person at the rate prevailing in market on the date of relevant transfer;
- iv) The Bank Alfalah Limited shall enforce its pledge over 392,166 shares of Kohinoor Mills Limited by selling the same to any person at the rate prevailing in market on the date of relevant transfer;
- v) The remaining Principal Outstanding amount shall be settled through the sale proceeds of personal properties situated at Gawadar and Nooriabad. The properties shall be sold through mutual efforts and the sale consideration of such properties shall be finalised after prior written consent of Bank Alfalah Limited;
- vi) The entire sale proceeds of the Gawadar and the Nooriabad properties as mentioned above in point (v) shall be deposited with Bank Alfalah Limited firstly for adjustments towards the principal outstanding amount of the Company. If there is surplus sale proceeds left after the satisfaction of the principal liabilities of the Company, the surplus amount will then be adjusted towards the principal outstanding personal liability of Mr. Javed Omer Vohra (late) in accordance with the settlement agreement dated May 13, 2014; and



vii) In addition to the above, if after settling the principal liability of the Company and personal liability of Mr. Javed Omer Vohra (late), there is still some sale proceeds left with Bank Alfalah Limited, it will at its own discretion, utilise the same towards total or partial adjustment of mark-up outstanding amount and / or cost of funds outstanding amount (and / or other charges that may have been waived in Company's or Javed Omer Vohra's (late) account.

Accordingly, all such assets that have been agreed by the Company to be transferred to the Banks as settlement of outstanding liabilities; have been classified as Assets held for sale and are valued at lower of carrying value or fair value less cost to sale. They are summarized as under:

		2016	2015	
		Rupees		
<b>16.3</b>	<b>Assets classified as held for sale</b>			
	Property and equipments	16.3.1	28,000,000	28,000,000
	Intangible assets	16.3.2	750,000	750,000
	Investments	16.3.3	2,222,085	13,982,585
			<u>30,972,085</u>	<u>42,732,585</u>

#### 16.3.1 Property and equipments

This represents the fair value of 4 Rooms / offices bearing office no. 507, 508, 509 and 511 situated at Karachi Stock Exchange Building, for which the Company has agreed to transfer against the outstanding liabilities of banks. The Banks have valued such offices at Rs. 7 million each. To date the company is unable to transfer the rooms due to legal complications. During the year no impairment loss occurred.

Carrying Value	28,000,000	28,000,000
Less: impairment loss on revaluation to fair value less cost to sell	-	-
Fair value less cost to sell	<u>28,000,000</u>	<u>28,000,000</u>

#### 16.3.2 Intangibles

National Commodity Exchange Limited membership card	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

The National Commodity Exchange Limited membership card has been valued at Rs 4 million. Since the carrying value is lower, it has been recorded at carrying value.

#### 16.3.3 Investments

##### Carrying value as at June 30, 2016

Shares of Kohinoor Mills Limited	5,593,034	4,898,178
Shares of Balochistan Glass Limited	8,389,551	28,830,454
	<u>13,982,585</u>	<u>33,728,632</u>

##### Fair value as at June 30, 2016

Shares of Kohinoor Mills Limited	888,834	5,593,034
Shares of Balochistan Glass Limited	1,333,251	8,389,551
	<u>2,222,085</u>	<u>13,982,585</u>

#### Liabilities associated with assets held for sale

Based on agreements referred above in 17.1 and 17.2, following liabilities are associated with assets held for sale:

Runing finance and markup accrued	5	68,615,552	68,615,552
Interest and mark-up accrued	7	77,911,980	77,911,980
Runing finance and markup accrued	6	60,067,914	71,828,414
		<u>206,595,446</u>	<u>218,355,946</u>

**17 CONTINGENCIES AND COMMITMENTS**

Except for the amount which could be payable if the Company defaulted in making settlement of its outstanding liability through transfer of its assets to the banks as damages, there are no contingencies and commitments outstanding at the year end.

		2016	2015
	Note	Rupees	
<b>18. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries, allowances and other benefits		900,000	900,000
Fee and subscription		61,500	60,075
Utility charges		251,967	220,465
Auditors' remuneration	18.1	320,000	320,000
Printing and Stationary		62,650	111,000
Telephone, postage and fax charges		304,607	303,945
Depreciation	10.2	145,767	159,265
Others		27,000	30,150
Professional Fee		485,262	160,000
		<u>2,558,753</u>	<u>2,264,900</u>
<b>18.1 Auditors' Remuneration</b>			
Audit fee		250,000	250,000
Fee for half yearly review and other certifications		60,000	60,000
Out of pocket expenses		10,000	10,000
		<u>320,000</u>	<u>320,000</u>
<b>19. OTHER OPERATING INCOME</b>			
<b>Income from financial assets</b>			
Mark-up income		502	-
Bad Debt recovered previously written off		-	238,000
		<u>502</u>	<u>238,000</u>
<b>20. FINANCE COST</b>			
Bank charges		1,152	1,600
		<u>1,152</u>	<u>1,600</u>
<b>22. LOSS PER SHARE - basic and diluted</b>			
Loss after taxation		(1,488,075)	(988,395)
Weighted average number of ordinary shares outstanding during the year		50,820,000	50,820,000
		<u>(0.03)</u>	<u>(0.02)</u>

### 3. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVE

The aggregate amounts charged in the accounts for the remuneration, including all benefits, to the Chief Executive Officer (CEO) and Executives of the Company were as follows:

	Chief Executive	
	2016	2015
	Rupees	
Basic salary	900,000	900,000
House rent allowance	-	-
Conveyance	-	-
Retirement benefits	-	-
Leave encashment	-	-
	<u>900,000</u>	<u>900,000</u>
Number of persons	<u>1</u>	<u>1</u>

### 24. RELATED PARTY TRANSACTIONS

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Transactions with related parties are entered at rates negotiated with them. Remuneration to key management personnel are in accordance with their terms of engagements. Contribution to defined benefit plan is made as per Actuarial advice.

Details of transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2016	2015
	Rupees	
Receivable from staff retirement fund	<u>173,105</u>	<u>173,105</u>
Key management personnel(Mr.Bilal Vohra-CEO) - payable	<u>4,125,000</u>	<u>3,225,000</u>
Key management personnel(Mr.Bilal Vohra-CEO) - salaries and benefits expense	<u>900,000</u>	<u>900,000</u>

### 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Fair value of all the financial assets and financial liabilities are estimated to approximate their respective carrying values.

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).

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

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss equity securities	<u>52,328</u>	<u>-</u>	<u>-</u>	<u>52,328</u>

## 26. 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 primarily invests in the portfolio of investments in marketable securities. Such investments are subject to varying degree of risk. These risk emanate various factors that include, but are not limited to:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

### 26.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 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. The Company is not exposed to currency risk as all transactions are carried out in Pak Rupees.

#### Interest rate risk

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

##### a) Sensitivity analysis for variable rate instruments

The Company holds KIBOR based running finance facility from various banks that expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, the net profit of the Company would have been higher / lower by Rs. 1.9 million, based on it's existing portfolio of interest bearing financial instruments. However no interest has been recognised in the year.

The composition of the Company's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on settlement date.

The Company's market rate of return sensitivity related to financial assets and financial liabilities as at June 30, 2016 can be determined from the following:

June 30, 2016					
Effective Rate of Markup/ Return (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Upto three Months	More than three months and upto one year	More than one year		
----- Rupees -----					

**Financial Assets**

Long term deposits	-	-	-	2,853,500	2,853,500
Investments	-	-	-	5,143,237	5,143,237
Advances and other receivables	-	-	-	203,885	203,885
Cash and bank balances	5	-	112,684	-	4,107,925
		-	112,684	-	12,308,547

**Financial Liabilities**

Running finance and accrued markup	24	68,615,552	-	-	68,615,552
Running finance under mark-up arrangements - secured	14.26 to 16.7	60,067,914	-	-	60,067,914
Interest and mark-up accrued		-	-	77,911,980	77,911,980
Creditors, accrued and other liabilities		-	-	14,206,810	
		128,683,466	-	-	92,118,790
					206,595,446

**On balance sheet gap**

		<b>(128,683,466)</b>	<b>112,684</b>	<b>-</b>	<b>(79,810,242)</b>	<b>(194,174,214)</b>
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June 30, 2015					
Effective Rate of Markup/ Return (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Upto three Months	More than three months and upto one year	More than one year		
----- Rupees -----					

**Financial assets**

Long term deposits	-	-	-	2,853,500	2,853,500
Investments	-	-	-	5,129,806	5,129,806
Trade debtors - unsecured, considered good	-	-	-	-	-
Advances and other receivables	-	-	-	203,885	203,885
Cash and bank balances	5	-	64,111	-	4,172,036
		-	64,111	-	12,295,116

**Financial liabilities**

Running finance and markup accrued	24	68,615,552	-	-	68,615,552
Running finance under mark-up arrangements - secured	14.26 to 16.27	60,067,914	-	-	71,828,414
Interest and mark-up accrued		-	-	77,911,980	77,911,980
Creditors, accrued and other liabilities		-	-	12,802,497	
		128,683,466	-	-	90,714,477
					218,355,946

**On balance sheet gap**

		<b>128,683,466</b>	<b>64,111</b>	<b>-</b>	<b>(78,419,361)</b>	<b>(205,996,719)</b>
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### Other price risk

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from investments in equity securities held by the Company for which prices in the future are uncertain.

A summary analysis of investments by industry sector as at 30 June 2016 is represented in note 13 to the financial statements .

The table below summarizes the sensitivity of the company's investments in equity securities at 30 June. The analysis is based on the assumption that KSE-100 index increased by 30% (2015:30%) and decreased by 30% (2015:30%), with all other variables held constant and that the fair value of the company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index having regard to the historic volatility of index of past three years.

The impact below arise from the reasonable possible changes in the fair value of listed equity securities.

	2016	2015
	Rupees	
Effect of an increase/decrease in the KSE-100 index		
Effect on short term investments	<u>15,698</u>	<u>11,669</u>
Effect on profit and loss account	<u>15,698</u>	<u>11,669</u>

## 26.2 Credit risk

### Credit risk management

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. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

### 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. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery or when the margins are lower than the outstanding amount.

The maximum exposure to credit risk before any credit enhancements at 30 June 2015 is the carrying amount of the financial assets as set out below:

	2016	2015
	(Rupees)	
Long term deposits	2,853,500	2,853,500
Advances and other receivables	203,885	203,885
Cash and bank balances	<u>4,220,609</u>	<u>4,172,036</u>
	<u>7,277,994</u>	<u>7,229,421</u>

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

## Bank Balances

The analysis below summarises the credit quality of the company's bank balances

	2016	2015
	Rupees	
AA+	<u>4,220,609</u>	<u>4,172,036</u>

## 3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet its obligations and commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or a difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. As highlighted in note 1.3 the Company is suffering from severe liquidity problems and is not able to meet its financial obligations.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Company's financial liabilities based on contractual maturities is given below:

	June 30, 2016				
	Carrying Amount	Contractual Cash Flows	Six Months or Less	Six to Twelve Months	One to Five Years
	Rupees				
<b>Financial liabilities</b>					
Running finance and markup	68,615,552	68,615,552	68,615,552		
Running finance under mark-up arrangements - secured	60,067,914	60,067,914	60,067,914	-	-
Interest and mark-up accrued	77,911,980	77,911,980	77,911,980	-	-
Creditors, accrued and other liabilities	14,206,810	14,206,810	14,206,810	-	-
	<u>220,802,256</u>	<u>220,802,256</u>	<u>220,802,256</u>	-	-

	June 30, 2015				
	Carrying Amount	Contractual Cash Flows	Six Months or Less	Six to Twelve Months	One to five Years
	Rupees				
<b>Financial liabilities</b>					
Running finance and markup accrued	68,615,552	68,615,552	68,615,552		
Running finance under mark-up arrangements - secured	71,828,414	71,828,414	71,828,414	-	-
Interest and mark-up accrued	77,911,980	77,911,980	77,911,980	-	-
Creditors, accrued and other liabilities	12,802,497	12,802,497	12,802,497	-	-
	<u>231,158,443</u>	<u>231,158,443</u>	<u>231,158,443</u>	-	-

## 26.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, 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 such 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 primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. Significant risks include, but are not limited to:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirement
- Ethical and business standards; and
- Risk mitigation, including insurance where this is effective.

## 26.5 Capital risk 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 has a negative equity of Rs.195.446 million and is also not able to meet the minimum net capital balance requirement prescribed by the KSE (refer note 1.3)

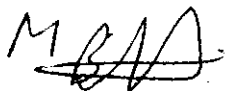
## 25. GENERAL

Corresponding figures' have been reclassified / rearranged, wherever necessary.

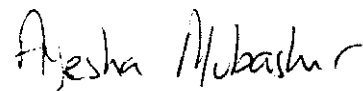
During the year the average number of employees were 1(Chief executive) [2015:1].

## 26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 03 - 10 - 16.



Chief Executive Officer



Director





## JAVED OMER VOHRA & COMPANY LIMITED

PATTERN OF SHAREHOLDINGS From "34" As on June 30, 2016

NUMBERS OF SHARE HOLDERS	SHAREHOLDING			TOTAL SHARES HELD
	From		To	
920	1	-	100	45,456
1,835	101	-	500	556,138
1,749	501	-	1000	1,359,237
3,415	1001	-	5000	8,021,076
740	5001	-	10000	5,494,478
258	10001	-	15000	3,201,947
121	15001	-	20000	2,164,228
87	20001	-	25000	1,992,811
58	25001	-	30000	1,619,922
41	30001	-	35000	1,336,885
30	35001	-	40000	1,134,781
13	40001	-	45000	552,953
20	45001	-	50000	977,549
15	50001	-	55000	795,276
21	55001	-	60000	1,213,542
5	60001	-	65000	311,330
6	65001	-	70000	412,426
7	70001	-	75000	508,173
4	75001	-	80000	307,927
4	80001	-	85000	330,906
5	85001	-	90000	443,763
14	95001	-	100000	1,394,754
5	100001	-	105000	508,570
2	105001	-	110000	216,600
3	110001	-	115000	340,346
1	115001	-	120000	119,247
3	120001	-	125000	367,001
1	125001	-	130000	130,000
4	135001	-	140000	551,312
2	140001	-	145000	283,150
2	145001	-	150000	291,703
1	150001	-	155000	150,015
1	160001	-	165000	160,643
1	170001	-	175000	175,000
1	185001	-	190000	188,369
2	190001	-	195000	385,462
5	195001	-	200000	993,815
1	210001	-	215000	214,969
1	235001	-	240000	238,201
1	305001	-	310000	310,000
2	320001	-	325000	644,295
1	355001	-	360000	359,590
1	360001	-	365000	361,097
1	380001	-	385000	384,869
1	390001	-	395000	394,264
1	500001	-	505000	500,827
1	525001	-	530000	525,665
1	635001	-	640000	636,867
1	685001	-	690000	685,999
1	855001	-	860000	859,960
1	890001	-	895000	891,000
1	1775001	-	1780000	1,775,606
1	2995001	-	3000000	3,000,000
<b>9,419</b>				<b>50,820,000</b>

CATEGORIES OF SHAREHOLDERS	SHARES HELD	% age
<b>5.1 - Directors, Chief Executive Officer, Their Spouse and Children</b>		
<b>Directors</b>	24,669	0.05
	20,328	
Mr. Muhammad Bilal Vohra	847	
Haji M. Iqbal	500	
Mr. Muhammad Rafiq Javed	847	
Ms. Ayesha Mubashir	800	
Ms. Saira Faraz	847	
Ms. Fatima Amir	500	
Ms. Afshan Farooqui		
<b>5.2 - Associated Companies, Undertakings &amp; Related Parties</b> Nil		
<b>5.3 - NIT &amp; ICP (Name Wise Detail)</b>		
National Bank of Pakistan, Trustee Deptt. (CDC)	1,775,606	3.49
	1,775,606	
<b>5.4 - Banks, DFI'S, NBFI'S</b>		
	1,656,119	3.26
<b>5.5 - Insurance Companies</b>		
	74,018	0.15
<b>5.6 - Modarba and Mutual Fund</b>		
	80,800	0.16
<b>5.7 - Other Companies</b>		
	15,886,163	31.26
<b>5.8 - General Public</b>		
	31,322,625	61.63
<b>Total:</b>	50,844,669	100