

FIRST STREET CAPITAL (PVT.) LTD.
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2016

Chartered Accountants



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **First Street Capital (Private) Limited** (formerly Dalia Securities (Private) Limited) ("the Company") as at June 30, 2016 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Management's Responsibility

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.

Auditor's Responsibility

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 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:

Opinion

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Dated:

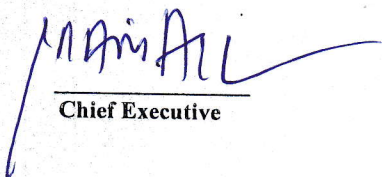
Place: Peshawar

Abdul IECnet SKSSS
Chartered Accountants

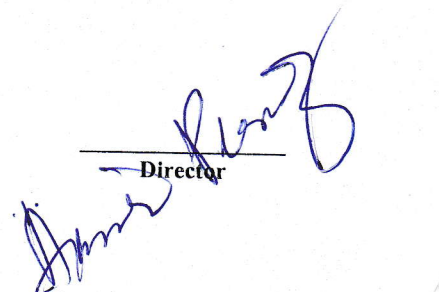
FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
BALANCE SHEET
AS AT JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|--|------|-------------------|-------------------|
| <u>NON-CURRENT ASSETS</u> | | | |
| Property, Plant & Equipment | 4 | 1,798,225 | 117,320 |
| Intangible Assets | 5 | 5,000,000 | 23,000,000 |
| Long Term Investment | 6 | 18,000,000 | - |
| Long Term Deposits | 7 | 676,000 | 530,000 |
| | | 25,474,225 | 23,647,320 |
| <u>CURRENT ASSETS</u> | | | |
| Due From Clients | 8 | 160,141 | 5,733,674 |
| Investment in Shares | 9 | 724,020 | - |
| Short Term Advances | 10 | 93,392 | 16,793 |
| Advance Tax Refundable | 11 | 220,206 | 209,288 |
| Cash & Bank Balances | 12 | 16,195,635 | 9,992,135 |
| | | 17,393,394 | 15,951,890 |
| | | 42,867,619 | 39,599,210 |
| <u>SHARE CAPITAL & RESERVES</u> | | | |
| AUTHORISED CAPITAL | | | |
| 5,000,000 (2015: 2,500,000) Ordinary Shares of Rs. 10/- each | | 50,000,000 | 25,000,000 |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL | | | |
| 1,000 (2015 : 1,000) Ordinary Shares of Rs. 10/- each fully paid in cash | | 1,000,000 | 1,000,000 |
| 2,400,000 (2015 : 2,400,000) Ordinary Shares of Rs. 10/- each fully paid in consideration other than cash | | 24,000,000 | 24,000,000 |
| Share Deposit Money | | 5,000,000 | - |
| Unappropriated Profit/(Loss) | | 8,943,172 | 8,898,215 |
| | | 38,943,172 | 33,898,215 |
| <u>CURRENT LIABILITIES</u> | | | |
| Trade & Other Payables | 13 | 3,895,571 | 5,687,105 |
| Short Term Borrowings-Unsecured-Considered Good | 14 | 13,890 | 13,890 |
| Provision for Taxation | | 14,986 | - |
| | | 3,924,447 | 5,700,995 |
| CONTINGENCIES & COMMITMENTS | | | |
| | 15 | - | - |
| | | 42,867,619 | 39,599,210 |

The annexed notes 1 to 21 form an integral part of these financial statements.


Chief Executive




Director

FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|--------------------------------|------|----------------------|-------------------------|
| Brokerage Commission | | 476,762 | - |
| Dividend Income | 19 | 190,361 | - |
| | | <u>667,123</u> | <u>-</u> |
| Administrative Expenses | 16 | 1,340,167 | 58,424 |
| Operating Profit/(Loss) | | <u>(673,044)</u> | <u>(58,424)</u> |
| Financial Charges | 17 | 32,497 | - |
| Other Income | 18 | 765,484 | 765 |
| Net (Loss) before Tax | | <u>59,943</u> | <u>(57,659)</u> |
| Taxation | 20 | (14,986) | (70,846) |
| Profit (Loss) after Tax | | <u><u>44,957</u></u> | <u><u>(128,505)</u></u> |

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The annexed notes 1 to 21 form an integral part of these financial statements.

[Signature]
 Chief Executive



[Signature]
 Director

FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>2016</u> Rupees | <u>2015</u> Rupees |
|--|-------------------------|-------------------------|
| Profit/(loss) after Tax | 8,943,172 | 8,898,215 |
| Other Comprehensive Income | - | - |
| Total Comprehensive Income/(Loss) | <u><u>8,943,172</u></u> | <u><u>8,898,215</u></u> |

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The annexed notes 1 to 21 form an integral part of these financial statements.

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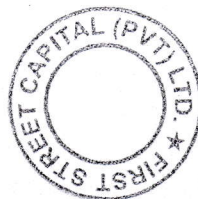


James Poojy

FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

| | 2016 Rupees | 2015 Rupees |
|---|----------------|----------------|
| <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | | |
| Cash generated from operations | | |
| Loss before Taxation | 59,943 | (57,659) |
| Adjustments for items not involving movement of cash | | |
| Depreciation | 449,847 | 26,474 |
| Profit on Bank Deposits | (765,484) | (765) |
| Finance Charges | 32,497 | - |
| | (283,140) | 25,709 |
| (Increase) / decrease in current assets | | |
| Due From Clients | 5,573,533 | - |
| Short Term Advances | (76,599) | - |
| | 5,496,934 | - |
| Increase / (Decrease) in current liabilities | | |
| Trade & Other Payables | (1,791,534) | - |
| Due to Associate | - | - |
| | (1,791,534) | - |
| | 3,482,203 | (31,950) |
| Taxes Paid | (14,986) | (70,849) |
| Finance Cost Paid | (32,497) | - |
| | (47,483) | (70,849) |
| Net Cash Inflow/(Outflow) From Operating Activities | 3,434,720 | (102,799) |
| <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | | |
| Profit on Bank Deposits | 765,484 | 765 |
| Net Cash Inflow/(Outflow) From Investing Activities | 765,484 | 765 |
| <u>CASH FLOW FROM FINANCING ACTIVITIES</u> | | |
| Net Cash Inflow/(Outflow) From Financing Activities | 2,003,296 | 30,003 |
| Net Increase In Cash & Cash Equivalents | 6,203,500 | (72,031) |
| Cash & Cash Equivalents at the Beginning of the Year | 9,992,135 | 10,064,166 |
| Cash & Cash Equivalents at the End of the Year | 16,195,635 | 9,992,135 |

The annexed notes 1 to 21 form an integral part of these financial statements.



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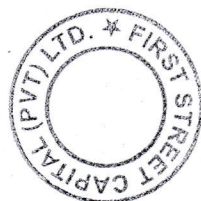
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FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

| | Issued Share Capital | Accumulated Profit/(Loss) | Total |
|--------------------------------|-------------------------|------------------------------|-------------------|
| | Rupees | | |
| Balance as at June 30, 2014 | 25,000,000 | 9,026,720 | 34,026,720 |
| Net Profit/(Loss) for the Year | | (128,505) | (128,505) |
| Balance as at June 30, 2015 | 25,000,000 | 8,898,215 | 33,898,215 |
| Net Profit/(Loss) for the Year | - | 44,957 | 44,957 |
| Share Deposit Money | 5,000,000 | - | 5,000,000 |
| Balance as at June 30, 2016 | <u>30,000,000</u> | <u>8,943,172</u> | <u>38,943,172</u> |

Account

The annexed notes 1 to 21 form an integral part of these financial statements.



Manish

Agarwal

FIRST STREET CAPITAL (PVT.) LTD.
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1. THE COMPANY & ITS OPERATIONS

First Street Capital (Pvt.) Ltd. (*formerly Dalia Securities (Pvt.) Ltd.*) was incorporated in Pakistan as a private limited company on March 31, 2006 vide registration Number 12329/20060307 under the Companies Ordinance, 1984. The registered office of the company is situated in Lahore.

The company is principally engaged in the business of stock brokerage services, shares transfer, securities, commercial papers, Modaraba Certificates, bonds, obligations, debenture stocks, foreign exchange bearer certificates, treasury bills and financial instruments under the license or with the permission or approval of any recognized association, authority, stock exchange or other market whether in Pakistan or abroad.

The company has changed its registered name from 'Dalia Securities (Pvt.) Ltd.' to 'First Street Capital (Pvt.) Ltd.' w.e.f. June 02, 2015 through SECP approval certificate of the same date.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

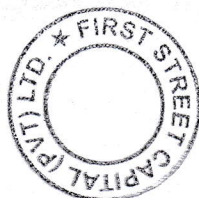
3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting Convention

These financial statements have been prepared under the historical cost convention, without taking any adjustment for the effect of inflation or reference to current value.

3.2 Provision

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.



M.A. Ali

Amir Raza

3.3

Taxation Current

The charge of current taxation for the year is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates realizable, if any, or one percent of turnover, whichever is higher.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates, that have been enacted or subsequently enacted at the balance sheet date.

3.4

Tangible Fixed Assets

Owned Assets

The operating fixed assets are stated at cost less accumulated depreciation except freehold land, which is stated at cost. The cost of fixed asset includes incidental charges of acquisition of fixed assets.

Depreciation on operating fixed assets is charged on reducing balance method at the rates given in the fixed assets schedule to write off the cost of operating fixed assets over their expected useful life. Full year's depreciation is charged in the year of acquisition, while no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and replacements are capitalized and assets retired, if any, are kept as standby.

Gain and Losses on disposal of assets, if any, is included in current year income.

Surplus on revaluation, after considering deficit in other categories, is credited to surplus on revaluation account. Revaluation is carried out sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair values.

3.5

Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account.



Justin Hill

Harsh Patel

3.6 Trade Debts

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

3.7 Trade Creditors and Other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.8 Cash and Cash Equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand. Investments of short maturity i.e. for a period of less than three months are subject to insignificant risk of changes in values are treated as cash and cash equivalents.

3.9 Related Party Transactions

All transactions with related parties are made at arm's length and are recorded at their fair value.

3.10 Foreign Currency Transaction

Assets and liabilities in foreign currency are stated in Pak Rupees at the rates of exchange ruling on the balance sheet date or exchange rate fixed under contractual agreements. Transactions in foreign currency are translated at the exchange rate prevailing at the date of transaction. All exchange differences arising on transaction of foreign currency into local currency are treated as exchange gains/(losses).

3.11 Borrowing Costs

Borrowing costs are charged to income as and when incurred except to the extent which is directly attributable to the acquisition, construction or production of a qualifying asset, which is capitalized as part of the cost of assets.

3.12 Revenue Recognition

Revenue is recognized on the following basis:

- On sales, at the time of dispatch of goods,
- Profit on bank deposits is recognized on a time proportion basis that takes into account the effective yield on the deposits.

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3.13 Financial Instruments

Financial assets and liabilities are recognized when the company becomes party to the contractual provisions of the instrument and assets and liabilities are stated at fair value. The Company de recognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

a) Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

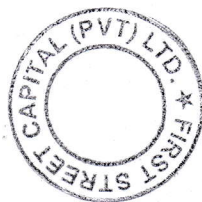
b) Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount cost less and allowance for any uncollectible amounts.

c) Derivative financial instruments

Any gain or loss from re-measuring the hedging instrument at fair value is recognized in the profit and loss account.

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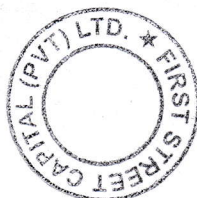


Amir Khan

FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|---|------|-------------------|-------------------|
| 4 | | | |
| <u>PROPERTY, PLANT & EQUIPMENTS</u> | | | |
| See Fixed Schedule | 4.1 | 1,798,225 | 117,320 |
| 5 | | | |
| <u>INTANGIBLE ASSETS</u> | | | |
| Membership Rights of Islamabad Stock Exchange Limited | | - | 23,000,000 |
| TRE Certificate under Lien | | 5,000,000 | - |
| | | <u>5,000,000</u> | <u>23,000,000</u> |
| 6 | | | |
| <u>LONG TERM INVESTMENTS</u> | | | |
| ISE REIT Shares under Pledge | | 18,000,000 | - |
| | | <u>18,000,000</u> | <u>-</u> |
| 7 | | | |
| <u>LONG TERM DEPOSITS</u> | | | |
| Long Term Deposits with/against: | | | |
| - Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| - National Clearing Company of Pakistan Limited | | 300,000 | 300,000 |
| - Pakistan Stock Exchange Limited-Clearing House | | 196,000 | 50,000 |
| - Office Premises | | 80,000 | 80,000 |
| | | <u>676,000</u> | <u>530,000</u> |
| 8 | | | |
| <u>DUE FROM CLIENTS -Unsecured-Considered Good</u> | | | |
| Due From Clients | | 160,141 | 5,733,674 |
| | | <u>160,141</u> | <u>5,733,674</u> |
| 9 | | | |
| <u>INVESTMENT IN SHARES</u> | | | |
| Investment in Shares - Listed Companies | | 724,020 | - |
| | | <u>724,020</u> | <u>-</u> |
| 10 | | | |
| <u>SHORT TERM ADVANCES</u> | | | |
| Receivables / Advances to Suppliers | | 93,392 | 16,793 |
| | | <u>93,392</u> | <u>16,793</u> |
| 11 | | | |
| <u>ADVANCE TAX REFUNDABLE</u> | | | |
| Advances Tax Refundable | | 220,206 | 209,288 |
| | | <u>220,206</u> | <u>209,288</u> |

Jamir Ali



Asim Ali

FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| 12 <u>CASH & BANK BALANCES</u> | Note | 2016 Rupees | 2015 Rupees |
|------------------------------------|------|-------------------|------------------|
| Cash in Hand | | - | 9,959,754 |
| Cash at Bank: | | | |
| - Saving Account - Client A/c | | 586,121 | 806 |
| - Saving Account - Proprietary A/c | | 15,609,514 | - |
| - Deposit Account | | - | 31,575 |
| | | 16,195,635 | 32,381 |
| | | 16,195,635 | 9,992,135 |

- Mark up on these saving account ranges from 4.5 % to 5.5 % p.a.

13 TRADE & OTHER PAYABLES

| | | |
|---------------------------|------------------|------------------|
| Due to Clients-on Account | 46,622 | 2,521,296 |
| Accrued Liabilities | 95,409 | 95,409 |
| Other Payables | 3,753,539 | 3,070,400 |
| | 3,895,571 | 5,687,105 |

14 SHORT TERM BORROWINGS - UNSECURED - INTEREST FREE

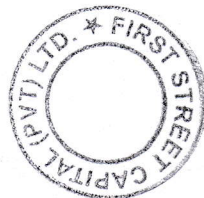
| | | |
|--------------------------|--------|--------|
| Due to Next Capital Ltd. | 13,890 | 13,890 |
|--------------------------|--------|--------|

15 CONTINGENCIES & COMMITMENTS

- There were no contingencies and commitments as on June 30, 2016 (2015: Nil).

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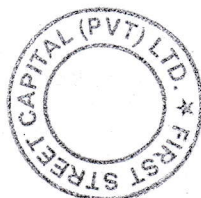
FIRST STREET CAPITAL (PVT.) LTD
(FORMERLY DALIA SECURITIES (PVT.) LTD.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|---|------|------------------|----------------|
| 16 ADMINISTRATION EXPENSES | | | |
| Staff Salaries & Other Benefits | | - | - |
| Auditor's Remuneration | | 75,000 | 30,000 |
| Travelling & Conveyance | | 14,780 | - |
| Vehicle Running & Maintenance | | 114,663 | - |
| Printing & Stationery | | 85,346 | - |
| Legal & Professional Expenses | | - | - |
| Fee & Subscription | | 179,680 | 1,950 |
| Entertainment | | 144,329 | - |
| Office Repair & Maintenance | | 37,535 | - |
| Generator Fuel | | 141,750 | - |
| Depreciation | 4 | 449,847 | 26,474 |
| Miscellaneous Expenses | | 97,237 | - |
| | | 1,340,167 | 58,424 |
| 17 FINANCIAL CHARGES | | | |
| Bank Charges | | 32,497 | - |
| 18 OTHER INCOME | | | |
| Return on Bank Deposit | | 89,035 | 765 |
| Other Income | | 676,449 | - |
| | | 765,484 | 765 |
| 19 INVESTMENT INCOME | | | |
| Dividend Income | | 333,910 | - |
| Gain / (Loss) on Mark to Market- Investment in Shares | | (143,549) | - |
| | | 190,361 | - |
| 20 TAXATION | | | |
| Current Year | | - | - |
| Prior Years | | - | 70,846 |
| | | - | 70,846 |
| 21 GENERAL | | | |

- Figures have been rounded off to nearest rupee, unless otherwise stated.

- These financial statements were authorized for issue by the board of directors in their meeting held on October 04, 2016.

JAAM AL



Amir Khan

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FIRST STREET CAPITAL (PVT.) LTD
 (FORMERLY DALIA SECURITIES (PVT.) LTD.)
PROPERTY PLANT & EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2016

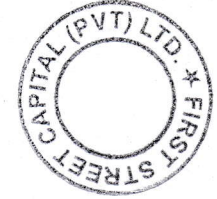
4.1 Following is the detail of operating fixed assets:

| DESCRIPTION | C O S T | | | D E P R E C I A T I O N | | | | W.D.V. As on 30-06-15 |
|--------------------------------|-------------------|------------------|-------------------|-------------------------|-------------------|------------------------|-------------------|-----------------------------|
| | As on 01-07-15 | Additions | As on 30-06-16 | Rate % | As on 01-07-15 | Charge for the Year | As on 30-06-16 | |
| | Rupees | | | Rupees | | | | |
| Furniture & Fixture | 127,000 | - | 127,000 | 10 | 52,008 | 7,499 | 59,507 | 67,493 |
| Copmputers & Office Equipments | 244,375 | 35,000 | 279,375 | 30 | 202,047 | 23,198 | 225,245 | 54,130 |
| Vehicle | - | 2,095,752 | 2,095,752 | 20 | - | 419,150 | 419,150 | 1,676,602 |
| 2016 | 371,375 | 2,130,752 | 2,502,127 | | 254,055 | 449,847 | 703,902 | 1,798,225 |
| 2015 | 371,375 | - | 371,375 | | 227,581 | 26,474 | 254,055 | 117,320 |

Depreciation expense for the year has been allocated as follows:

| 2016 Rupees | 2015 Rupees |
|----------------|----------------|
| 449,847 | 26,474 |
| 449,847 | 26,474 |

Administrative Expenses (Note : 13)



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