

Golden Arrow
SELECTED STOCKS FUND LIMITED



2019



annual report

**Partner
with AKD
Profit from the
Experience**



Managed by: AKD Investment Management Ltd.

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. Javaid Bashir Sheikh

DIRECTOR & CHIEF EXECUTIVE OFFICER

Mr. Imran Motiwala

DIRECTORS

Ms. Anum Dhedhi

Mr. Aurangzeb Ali Naqvi

Mr. Muhammad Siddiq Khokhar

Mr. Abdul Karim

Mr. Muzammil Abdul Karim

AUDIT COMMITTEE

Mr. Muhammad Siddiq Khokhar (Chairman)

Mr. Abdul Karim (Member)

Mr. Aurangzeb Ali Naqvi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY

Mr. Muhammad Yaqoob Sultan, CFA

HEAD OF COMPLIANCE

Mr. Rashid Ahmed

MANAGEMENT COMPANY

AKD Investment Management Limited

216-217, Continental Trade Centre, Block-8,

Clifton, Karachi -74000.

CUSTODIAN

Central Depository Company

of Pakistan Limited

CDC House 99-B, Block 'B'

S.M.CH.S., Main Shahr-e-Faisal,

Karachi-74400.

AUDITORS

Deloitte Yousuf Adil

Chartered Accountants

Cavish Court, A-35, Block 7 & 8

KCHSU, Shahr-e-Faisal

Karachi-75350, Pakistan.

LEGAL ADVISER

Ali Daraz Siddiqui

Room No. 201 Noorani Building,

Campbell Street, Opp. Distt. Court,

Karachi-74200.

REGISTERED OFFICE

216-217, Continental Trade Centre, Block-8,

Clifton, Karachi-74000.

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS Registrar Services (Pvt.) Ltd.

407-408, Al Ameera Centre,

Shahr-e-Iraq, Saddar, Karachi.

Tel: 021-35662023-24

RATING - GASSFL

PACRA: MFR 5-Star (5-year period)

PACRA: MFR 5-Star (3-year period)

PACRA: MFR 4-Star (1-year period)

RATING-MANAGEMENT COMPANY

PACRA: AM3++ (AM Three Plus Plus)

Mission Statement

To set a standard of investing in better performing and result oriented securities by adopting best business practices and ethics.

Vision

To be a leading investment Company in Financial industry with diversifying its business activities by good asset allocation and generating better financial results and yield to the stakeholders.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Sixth Annual General Meeting of Golden Arrow Selected Stocks Fund Limited ("the Company") will be held on Saturday, October 26, 2019 at 2:30 p.m. at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:-

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 27, 2018.
2. To review, consider and adopt the Audited Accounts together with the Directors' and Auditors' Report for the year ended June 30, 2019.
3. To appoint Auditors of the Company and fix their remuneration for the period of upto the date of conversion of the Company into an Open End Scheme which is expected to be accomplished by December 1, 2019. The present Auditors M/s Deloitte Yousuf Adil, Chartered Accountants retire and being eligible, offer themselves for re-appointment.
4. To elect seven (07) directors of the Company as fixed by the Board of Directors in accordance with the provision of Section 159 of the Companies Act, 2017 for a period of three years commencing from May 09, 2019.

The following are the retiring Directors:

1. Mr. Javaid Bashir Sheikh
2. Mr. Imran Motiwala
3. Ms. Anum Dhedhi
4. Mr. Aurangzeb Ali Naqvi
5. Mr. Muhammad Siddiq Khokhar
6. Mr. Abdul Karim Memon
7. Mr. Muzammil Abdul Karim

OTHER BUSINESS

5. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

Muhammad Yaqoob
Company Secretary

Karachi: October 05, 2019

NOTES:

1. The share transfer books of the Company will remain closed from October 18, 2019 to October 26, 2019 (both days inclusive). Physical Scrips transfers / CDS transaction IDs received in order at the office of Share Registrar, JWAFS Registrar Services (Pvt.) Limited, at the close of the business day on October 17, 2019 will be treated in time for attending the Annual General Meeting.

2. A member entitled to attend and vote at the meeting shall be entitled to appoint another member of the Company as his / her proxy to attend, speak and vote instead of him / her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. Proxies, in order to be effective, must be duly completed and signed and received at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Shareholders are requested to notify any change in their address immediately to the Share Registrar, JWAFS Registrar Services (Pvt.) Limited.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING

- i) In case of individuals, the account holder or sub account holder whose registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her Computerised National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING OF PROXIES

- i) In case of individuals, the account holder or sub account holder whose registration details are uploaded as per the regulations shall submit the proxy form as per requirement.
- ii) The proxy form will be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

5. CIRCULATION OF ANNUAL AUDITED ACCOUNTS VIA EMAIL/CD/USB//DVD OR ANY OTHER MEDIA

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)2014 dated September 8, 2014 and SRO 470(1)2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditors' and Directors' Report) to its members through Email/CD/ DVD/ USB/ or any other electronic media at their registered addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the standard request form (available on the Company's website: www.akdinvestment.com) and send it to the Company address.

6. CONSENT FOR VIDEO CONFERENCE FACILITY

Pursuant to Section 134(1) of Companies Act, 2017, if Company receives consent form from members holding aggregate Ten percent (10%) or more shareholding residing at geographic location to participate in the meeting through video link at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit it to the registered office of the Company:

I/We _____ of _____ being a member of Golden Arrow Selected Stocks Fund Limited, holding _____ ordinary shares as per register Folio / CDC Account No. _____ hereby opt for video conference facility at.

Name and Signature

Date

The Company will intimate members regarding venue of video conference facility at least 7 days before the date of General Meeting along with complete information necessary to enable them to access such facility.

7. SUBMISSION OF COPIES OF CNIC / SNIC / NTN (MANDATORY)

Pursuant to the Directives of the SECP, CNIC / SNIC or NTN (in case of corporate entities) number of shareholders are MANDATORILY required to be mentioned on dividend warrants. Shareholders are therefore, requested to submit a copy of their valid CNIC / SNIC (if not already provided) to the Company's Share Registrar, JWAFS Registrar Services (Pvt.) Ltd. 407- 408, Al Ameera Center, Shahrah-e-Iraq, Saddar, Karachi. In the absence of a member's valid CNIC / SNIC, the Company will be constrained to withhold dispatch of dividend warrants to such members.

8. DIVIDEND MANDATE (MANDATORY)

The Provisions of Section 242 of the Companies Act, 2017 requires the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Register at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDC participants for updating and forwarding to the Company:

Folio No. / Investor Account Number / CDC Sub Account No.

Title of Account

IBAN Number

Bank Name

Branch Name and Code

Branch Address

Mobile Number

Name of Network (if ported)

Email Address

9. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT

Members seeking exemption from deduction of income tax or are eligible for deduction at reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non- deduction of Zakat are also requested to submit valid declaration for non-deduction of Zakat

10. E-Voting

Pursuant to the Companies (E-voting) Regulations, 2016, shareholders will be able to exercise their right to vote through e-voting by giving their consent in writing, at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

11. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Director and for any other agenda item subject to the requirement of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its Audited Financial Statement for the fiscal year ended June 30, 2019.

FUND'S FINANCIAL PERFORMANCE

For FY19, the return of the Golden Arrow Selected Stocks Fund was -18.06% compared to the KSE-100 Index return of -19.11%.

MACRO PERSPECTIVE

The PTI led Government adopted stringent measures to preserve the depleting FX reserves by reducing the imports to stabilize the Current Account Deficit (CAD) in FY19. However, the dampening GDP growth prospect (3.3% GDP growth rate forecasted by SBP for FY19 as compared to 5.5% in the corresponding period), worsening fiscal deficit, scrutiny from global money-laundering watchdog (FATF) over regulatory concerns, and delays in finalizing IMF bailout program kept the economy under pressure.

The Current Account Deficit (CAD) for FY19 stood at \$13.6 billion (4.8% of GDP) as compared to \$19.8 billion (6.3% of GDP) in the same period last year (SPLY), exhibiting a decline of 32% YoY. This improved performance was on the back of a decrease in imports of goods by 7% YoY to \$52.38 billion from \$56.59 billion, along with an increase in remittances of 10% YoY to \$21.84 billion. However, exports of goods could not pick up as anticipated, and remained flat at approximately the same at \$24.4 billion from \$24.77 billion in SPLY, while the increase in debt servicing weighed on the foreign exchange reserves at \$14.48 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect around PKR 3.829 trillion during the FY19 as compared to PKR 3.842 trillion in the same period last year. The tax collection remained below the revised target of PKR 4.398 trillion (11.5 percent of GDP), making it difficult for the Government to execute development projects and spending. Moreover, the Government has set a revenue collection target of PKR 5.55 trillion for FY20, which appears ambitious keeping in view the current economic slowdown.

As per Pakistan Bureau of Statistics (PBS), the average Consumer Price Index (CPI) in FY19 was recorded at 7.34% YoY as compared to 3.92% YoY, SPLY. Core CPI calculated by excluding food and energy items clocked in at an alarming 8.24% compared to 5.44%, SPLY. Moreover, the State Bank of Pakistan (SBP) upward revised its FY19 CPI target to remain between 6.5-7.5% YoY, above the annual target of 6%. This revision was on the back of increased international oil prices, recent PKR depreciation and increase in electricity and gas tariffs. Therefore, the higher expected inflation along with burgeoning twin deficits led SBP to increase the policy rate to 12.25% during FY19.

According to Economic Survey of FY19, the agriculture sector underperformed and missed its target budgeted target of 3.94%, registering a meager increase of only 0.85%. This was mainly due to the prevalent water crisis and drop in fertilizer off take (higher prices) which hampered agricultural output. Similarly, slowdown in the services sector, along with manufacturing sector, also caused the SBP to downward revise its real GDP growth target to approximately 3.5% for FY20.

The Large Scale Manufacturing (LSM) sector, which constitutes 70% of the total manufacturing and 10.2% of overall GDP, witnessed a decrease of 3.50% for 11MFY19 (July-May). Compared to May-2018, the majority of the sectors comprising the bulk of LSM weight recorded a decline in May 2019. The leading underperformers during the month were Automobiles (-11.78% YoY), Coke & Petroleum Products (-8.35% YoY), Food, Beverages & Tobacco (-7.28% YoY) and Iron & Steel Products (-11.21% YoY). On the other hand, Fertilizers (+7.68% YoY) and Electronics (+12.53% YoY) recorded significant growth during the month.

Furthermore, Pakistan was able to attract only \$1.66 billion in Foreign Direct Investment (FDI) in FY19 which is around -51.98% lower than the corresponding period last year. This massive decrease was mainly due to uncertainty of the exchange rate and delays in finalization of IMF program, country's vulnerable external and fiscal position, downgrading of Pakistan's credit rating by Fitch in December 2018 and dampened investor confidence. On the other hand, during FY19 sectors including chemical, beverages, and automobile were on the investors' radar.

In our view, PKR-USD depreciation of approximately 34% in FY19, imposition of regulatory duties on various import items, and funds received through financial assistance from friendly countries provided some relief to the external deficit. Going forward, we believe CPEC investments will continue to play a vital role in attracting investment in Pakistan and stabilizing the currency to improve import led manufacturing. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of the country's macro performance.

EQUITY MARKET REVIEW

During FY19, KSE-100 Index exhibited a decline of 19%, closing at 33,901.58 points at June end 2019. The equity market remained under pressure on the back of depressed market participation emanating from poor investor confidence, weak economic conditions (balance of payment crisis, currency depreciation, and widening fiscal deficit), accountability drive, regulatory tightening and continued foreign investor selling during the period (FIPI recorded net selling of \$415 million). On the other hand, the average traded volume stood at around 96 million shares as compared to 84 million shares in the SPLY showing an increase of 14.29% YoY.

Inflationary pressures continued to persist, primarily due to increase in food, housing and transport indices, which led the State Bank of Pakistan (SBP) to increase the policy rate by 575 bps to 12.25% during the FY19. This prompted investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, and Bank Deposits etc.) in pursuit of attractive returns.

Going forward, an expected increase in international crude oil price will provide an upside to the oil sector, thereby improving earnings of Exploration & Production (E&P) sector (Contributing to around 14.42% in Index). On the other hand, rising interest rates would help the banking sector (Contributing to around 27.58% in Index) to regain its momentum, especially ones with the high current account portion and low PIB base.

However, improved liquidity emerging from renewed investor confidence would still be a major driver for the market. Furthermore, improvement in macro-indicators, IMF program deliverables and clearance from FATF would bring more clarity, and possibly recover the market sentiments. However, Indo-Pak tensions might keep the market in jitters.

In terms of valuations, currently the KSE -100 Index is trading at an attractive multiple of 5.5x, at a 58% discount in comparison to emerging markets (multiple 13.25x), offering potential upside for investors.

MONEY MARKET REVIEW

During FY19, twenty-six T-Bill auctions were carried out by the SBP, where government successfully managed to raise PKR18.46 trillion. Weighted average yield on the 3-month and 6-month period were 9.73% and 10.23% respectively, as compared to 6.13%, and 6.13%, same period last year. There were no 12-month T-bill auctioned during the period.

To further address the need of liquidity, SBP conducted twelve auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR871.73 billion during FY19. The yields maintained an upward trend as weighted average maturity yield on 3-year, 5-year, and 10-year maturity rose to 9.98%, 8.10%, and 10.94%, as compared to 6.57%, 7.14%, and 8.06%, same period last year.

The government announced six Monetary Policy Statements (MPS) in FY19, during which it increased the policy rate by 575bps cumulatively, thus taking the policy rate to 12.25%. As per the auction

calendar of the SBP, it will raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR6.4 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR6.46 trillion. In addition, SBP will raise another PKR300 billion through the auction of a 10-Year Floating PIB.

FUTURE OUTLOOK

Keeping in view the recent measures taken by the new Government in FY19, the economy is expected to move towards gradual stability in FY20. As CAD situation has relatively eased, the focus will be on disciplining the fiscal deficit as per IMF package through improved tax collection and documentation of businesses. However, in doing so, challenges will remain on the back of resistance from business community and public due to tougher tax and regulatory regime. The political situation might pose trouble due to the unpopular measures and aggressive accountability drive currently underway. Moreover, if simmering tensions with India persist, they might dampen the investor spirit in the market and create uncertainty.

Going forward, shifting towards less costly alternative for power production, currency devaluation (34% in FY19), and incentives provided to export oriented industries (reduced duties & Rebates) and deferred oil payment from Saudi Arabia (up to \$6 bn) is expected to improve the external account situation even more. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan and Eid, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market is now due to attractive valuations (The KSE-100 index trading at an attractive (P/E) 5.5x). The investor confidence level and foreign participation will play a major role in this regard as the economy moves towards consolidation.

On the Fixed Income side, increase in interest rates has further led to an economic slowdown. Equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer very attractive yields.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- (a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- (b) Proper books of account of the Company have been maintained;
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- (h) Outstanding statutory payments on account of taxes, duties, levies and charges if any have been fully disclosed in the financial statements.
- (i) The statement showing the attendance of Directors in BOD meetings and the Audit Committee meetings is as under:

| No. | Name of Director | Number of Meetings | | |
|-----|-----------------------------|--------------------|----------|---------------|
| | | Held | Attended | Leave Granted |
| 1 | Mr. Javaid Bashir Sheikh | 4 | 4 | 0 |
| 2 | Mr. Imran Motiwala | 4 | 4 | 0 |
| 3 | Ms. Anum Dhedhi | 4 | 3 | 1 |
| 4 | Mr. Aurangzeb Ali Naqvi | 4 | 3 | 1 |
| 5 | Mr. Muhammad Siddiq Khokhar | 4 | 4 | 0 |
| 6 | Mr. Abdul Karim | 4 | 4 | 0 |
| 7 | Mr. Muzammil Abdul Karim | 4 | 4 | 0 |

| No. | Name of Director | Number of Meetings | | |
|-----|-----------------------------|--------------------|----------|---------------|
| | | Held | Attended | Leave Granted |
| 1 | Mr. Muhammad Siddiq Khokhar | 4 | 4 | 0 |
| 2 | Mr. Abdul Karim | 4 | 4 | 0 |
| 3 | Mr. Aurangzeb Ali Naqvi | 4 | 4 | 0 |

(j) The trades in the shares of the Company carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children are as under:

| Name of Director | Purchases (No. of Shares) | Bonus & Right (No. of Shares) | Sales (No. of Shares) |
|--------------------------------|------------------------------|----------------------------------|--------------------------|
| Director | | | |
| Mr. Javaid Bashir Sheikh | - | - | - |
| Mr. Imran Motiwala | 230,000 | - | - |
| Ms. Anum Dhedhi | - | - | - |
| Mr. Aurangzeb Ali Naqvi | - | - | - |
| Mr. Muhammad Siddiq Khokhar | - | - | - |
| Mr. Abdul Karim | - | - | - |
| Mr. Muzammil Abdul Karim | - | - | - |
| Company Secretary | | | |
| Mr. Muhammad Yaqoob | - | - | - |
| Chief Financial Officer | | | |
| Mr. Muhammad Munir | - | - | - |

RATING OF GOLDEN ARROW SELECTED STOCKS FUND LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned Golden Arrow Selected Stocks Fund Limited (GASSFL) performance ranking of "MFR 4-Star", "MFR 5-Star" and "MFR 5-Star" in performance period of 1 year, 3 year and 5 year category on February 28, 2019, good performance' viz a viz other mutual funds.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

For the principal risks and uncertainties facing the company please refer to the note 23 of the Accounts of Golden Arrow Selected Stocks Fund Limited for the year ended June 30, 2018.

PATTERN OF SHAREHOLDING

The detailed pattern of Shareholding as required by the Companies Act 2017 and the Code of Corporate Governance is enclosed.

KEY FINANCIAL DATA AT A GLANCE

Key Financial Data for last six years at a glance is enclosed.

INVESTMENT POLICY

General nature of the business transacted and to be transacted by the Company will be the investing of its assets in securities. The purpose of the Company is to provide a vehicle where by investors can invest their funds in securities under the direction of AKD Investment Management Limited, subject to the general control and directions of the Board of Directors. The objective of Company is to achieve superior returns through a combination of Investment Strategies, which includes investing in high earnings growth stocks, deep value and high dividend paying scrips. The Company has a strategy in place to limit capital losses when volatility rises in the stock market by diversifying into defensive stocks and fixed income securities. Stocks for the portfolio will be selected on the basis of fundamentals and authentic research from top quality Brokerage Houses.

APPOINTMENT OF AUDITORS

The Auditors, M/s Deloitte Yousuf Adil, retires and offer themselves for reappointment. The Directors, on the recommendation of the Audit Committee, propose M/s Deloitte Yousuf Adil, Chartered Accountants, as auditors for the year ending June 30, 2020, subject to the approval of the Shareholders in the Annual General Meeting.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Stock Exchanges for their support to the Mutual Fund Industry as a whole and our Custodian, Central Depository Company of Pakistan Limited for their cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank shareholders for their confidence in the Company and their continued support and guidance.

MATERIAL INFORMATION

As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). In 2013, SECP vide its Notification S.R.O. 1399(I) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

In compliance with above referred regulation, the Company convened a meeting of shareholders on January 31, 2013. However, neither the conversion of the Company into an Open End Scheme nor its winding up was approved by the shareholders by the majority specified in the said regulation. This fact was communicated to the stock exchanges and the SECP.

Subsequently, the company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another extra ordinary general meeting of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honorable Sindh High Court on the ground that Regulation 65 is ultra vires. The Honorable Sindh High Court, after a preliminary hearing, had granted an ad-interim relief to the Company by restraining the SECP from taking any coercive action against the Company during the pendency of the petition.

Subsequently, the board of directors in their meeting held on January 09, 2018 voluntarily resolved that the Company be converted from closed end fund to an open end scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and has approved a scheme of arrangement for the same. Further, the board has decided to place the scheme of arrangement before the shareholders for their approval by special resolution in an extra ordinary general meeting held on February 15, 2018, in which the shareholders had approved the conversion.

Following the approval in EOGM, case filed by Company against Federation of Pakistan and SECP has been disposed off for which court order has been received by the Company. The Company submitted application to SECP for the conversion of GASSFL into an open end scheme. The SECP has approved the conversion of GASSFL into an Open-End Scheme in terms of Regulation 65 of the NBFC and NE Regulations, 2008 vide its letter dated February 14, 2019. The effective date for the conversion shall be no later than July 01, 2019.

Subsequently AKD Investment Management Limited (management company) requested SECP for extension of conversion scheme uptill October 01, 2019 and SECP later approved this request vide letter No. SCD/AMCW/GASSFL/11/2019.

The Management Company has further requested the SECP for an extension of conversion uptill December 01, 2019 response in this regard is still awaited.

For and on behalf of the board

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Javaid Bashir Sheikh
Chairman

Karachi: September 27, 2019

FUND MANAGER’S REPORT

i) Description of the Collective Investment Scheme Category and type:

Closed End - Equity Scheme

ii) Statement of Collective Investment Scheme's investment objective:

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep value, coupled with few cherry picked growth companies.

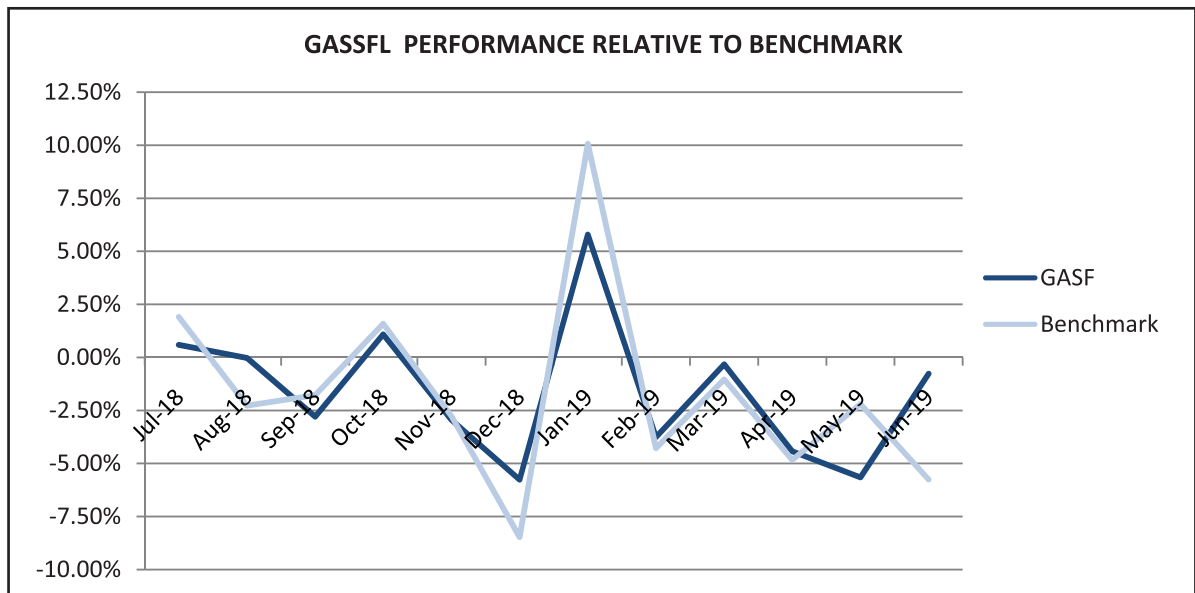
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For FY19, the return of the Golden Arrow Selected Stocks Fund (GASSFL) was -18.06% compared to the KSE-100 Index return of -19.11%.

iv) Statement of benchmark (s) relevant to the Collective Income Scheme:

KSE - 100 Index

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



| Monthly yield | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GASSFL | 0.59% | -0.03% | -2.80% | 1.08% | -2.95% | -5.77% | 5.79% | -3.76% | -0.33% | -4.43% | -5.66% | -0.77% |
| Benchmark | 1.91% | -2.27% | -1.78% | 1.59% | -2.77% | -8.47% | 10.07% | -4.28% | -1.04% | -4.83% | -2.20% | -5.76% |

vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance:

Golden Arrow Selected Stocks Fund Limited is a closed end equity scheme. The return of Fund is generated through investment in value stocks which have strong growth potential. GASSFL is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

vii) Disclosure of Collective Investment Scheme's asset allocation as at the date of report and particulars of significant change in asset allocation since the last report (if applicable):

| Asset Allocation (% of Total Assets) | 30-Jun-19 | 31-Mar-19 |
|--------------------------------------|-----------|-----------|
| Equities | 95.69% | 96.04% |
| Cash | 4.08% | 3.73% |
| Other Assets | 0.23% | 0.23% |

viii) Analysis of the Collective Investment scheme's Performance:

| | |
|------------------|---------|
| FY19 Return | -18.06% |
| Benchmark Return | -19.11% |

ix) Changes in the total NAV and NAV per share since last reviewed period:

| Net Asset Value | | | NAV Per Unit | |
|-------------------|-----------|---------|--------------|-----------|
| 30-Jun-19 | 31-Mar-19 | Change | 30-Jun-19 | 31-Mar-19 |
| (Rupees in "000") | | | Rs. | Rs. |
| 1,239,677 | 1,385,550 | -10.53% | 8.15 | 9.11 |

x) Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and returns during the period:
MACRO PERSPECTIVE

The PTI led Government adopted stringent measures to preserve the depleting FX reserves by reducing the imports to stabilize the Current Account Deficit (CAD) in FY19. However, the dampening GDP growth prospect (3.3% GDP growth rate forecasted by SBP for FY19 as compared to 5.5% in the corresponding period), worsening fiscal deficit, scrutiny from global money-laundering watchdog (FATF) over regulatory concerns, and delays in finalizing IMF bailout program kept the economy under pressure.

The Current Account Deficit (CAD) for FY19 stood at \$13.6 billion (4.8% of GDP) as compared to \$19.8 billion (6.3% of GDP) in the same period last year (SPLY), exhibiting a decline of 32% YoY. This improved performance was on the back of a decrease in imports of goods by 7% YoY to \$52.38 billion from \$56.59 billion, along with an increase in remittances of 10% YoY to \$21.84 billion. However, exports of goods could not pick up as anticipated, and remained flat at approximately the same at \$24.4 billion from \$24.77 billion in SPLY, while the increase in debt servicing weighed on the foreign exchange reserves at \$14.48 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect PKR 3.303 trillion during 11MFY19 which was lower than the actual tax collection in the SPLY. Despite this increase, FBR failed to meet its revised target for FY19 of PKR 4.435 trillion by approximately PKR 477 billion in 11MFY19, making it difficult for the Government to execute development projects and spending.

As per Pakistan Bureau of Statistics (PBS), the average Consumer Price Index (CPI) in FY19 was recorded at 7.34% YoY as compared to 3.92% YoY, SPLY. Core CPI calculated by excluding food and energy items clocked in at an alarming 8.24% compared to 5.44%, SPLY. Moreover, the State Bank of Pakistan (SBP) upward revised its FY19 CPI target to remain between 6.5-7.5% YoY, above the annual target of 6%. This revision was on the back of increased international oil prices, recent PKR depreciation and increase in electricity and gas tariffs. Therefore, the higher expected inflation along with burgeoning twin deficits led SBP to increase the policy rate to 12.25% during FY19.

According to Economic Survey of FY19, the agriculture sector underperformed and missed its target budgeted target of 3.94%, registering a meager increase of only 0.85%. This was mainly due to the prevalent water crisis and drop in fertilizer off take (higher prices) which hampered agricultural output. Similarly, slowdown in the services sector, along with manufacturing sector, also caused the SBP to downward revise its real GDP growth target to approximately 3.5% for FY20.

The Large Scale Manufacturing (LSM) sector, which constitutes 70% of the total manufacturing and 10.2% of overall GDP, witnessed a decrease of 3.50% for 11MFY19 (July-May). Compared to May-2018, the majority of the sectors comprising the bulk of LSM weight recorded a decline in May2019. The leading underperformers during the month were Automobiles (-11.78% YoY), Coke & Petroleum Products (-8.35% YoY), Food, Beverages & Tobacco (-7.28% YoY) and Iron & Steel Products (-11.21% YoY). On the other hand, Fertilizers (+7.68% YoY) and Electronics (+12.53% YoY) recorded significant growth during the month.

Furthermore, Pakistan was able to attract only \$1.66 billion in Foreign Direct Investment (FDI) in FY19 which is around -51.98% lower than the corresponding period last year. This massive decrease was mainly due to uncertainty of the exchange rate and delays in finalization of IMF program, country's vulnerable external and fiscal position, downgrading of Pakistan's credit rating by Fitch in December 2018 and dampened investor confidence. On the other hand, during FY19 sectors including chemical, beverages, and automobile were on the investors' radar.

In our view, PKR-USD depreciation of approximately 34% in FY19, imposition of regulatory duties on various import items, and funds received through financial assistance from friendly countries provided some relief to the external deficit. Going forward, we believe CPEC investments will continue to play a vital role in attracting investment in Pakistan and stabilizing the currency to improve import led manufacturing. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of the country's macro performance.

EQUITY MARKET REVIEW

During FY19, KSE-100 Index exhibited a decline of 19%, closing at 33,901.58 points at June end 2019. The equity market remained under pressure on the back of depressed market participation emanating from poor investor confidence, weak economic conditions (balance of payment crisis, currency depreciation, and widening fiscal deficit), accountability drive, regulatory tightening and continued foreign investor selling during the period (FIPI recorded net selling of \$415 million). On the other hand, the average traded volume stood at around 96 million shares as compared to 84 million shares in the SPLY showing an increase of 14.29% YoY.

Inflationary pressures continued to persist, primarily due to increase in food, housing and transport indices, which led the State Bank of Pakistan (SBP) to increase the policy rate by 475 bps to 12.25% during the FY19. This prompted investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, and Bank Deposits etc.) in pursuit of attractive returns.

Going forward, an expected increase in international crude oil price will provide an upside to the oil sector, thereby improving earnings of Exploration & Production (E&P) sector (Contributing to around 14.42% in Index). On the other hand, rising interest rates would help the banking sector (Contributing to around 27.58% in Index) to regain its momentum, especially ones with the high current account portion and low PIB base.

However, improved liquidity emerging from renewed investor confidence would still be a major driver for the market. Furthermore, improvement in macro-indicators, IMF program deliverables and clearance from FATF would bring more clarity, and possibly recover the market sentiments. However, Indo-Pak tensions might keep the market in jitters.

In terms of valuations, currently the KSE -100 Index is trading at an attractive multiple of 5.5x, at a 58% discount in comparison to emerging markets (multiple 13.25x), offering potential upside for investors.

FUTURE OUTLOOK

Keeping in view the recent measures taken by the new Government in FY19, the economy is expected to move towards gradual stability in FY20. As CAD situation has relatively eased, the focus will be on disciplining the fiscal deficit as per IMF package through improved tax collection and documentation of businesses. However, in doing so, challenges will remain on the back of resistance from business community and public due to tougher tax and regulatory regime. The

political situation might pose trouble due to the unpopular measures and aggressive accountability drive currently underway. Moreover, if simmering tensions with India persist, they might dampen the investor spirit in the market and create uncertainty.

Going forward, shifting towards less costly alternative for power production, currency devaluation (15.66% in FY19), and incentives provided to export oriented industries (reduced duties & Rebates) and deferred oil payment from Saudi Arabia (up to \$6 bn) is expected to improve the external account situation even more. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan and Eid, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market is now due to attractive valuations (The KSE-100 index trading at an attractive (P/E) 5.5x). The investor confidence level and foreign participation will play a major role in this regard as the economy moves towards consolidation.

On the Fixed Income side, increase in interest rates has further led to an economic slowdown. Equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer very attractive yields.

xi) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affair during the period and up till the date of the Fund Manager's report.

xii) Disclosure on share split (if any), comprising:

There was no share split during the period.

xiii) Disclosure of circumstances that materially affect any interest of shareholders:

Investments are subject to credit and market risk.

xiv) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

The Company (Golden Arrow Selected Stocks Fund Limited) has complied with the requirements of the Regulations in the following manner:

1. The total number of directors in the Board of the Company is seven out of which one of them is a female director while the other six are male directors
2. The composition of Board is as follows:

| Category | Name |
|-------------------------|--|
| Independent Directors | Mr. Javaid Bashir Sheikh Mr. Muhammad Siddiq Khokhar |
| Executive Directors | Mr. Imran Motiwala Ms. Anum Dhedhi |
| Non-Executive Directors | Mr. Aurangzeb Ali Naqvi Mr. Abdul Karim Memon Mr. Muzammil Abdul Karim |

3. All the Directors of the Company have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company being as Investment Company has adopted the Code of Conduct of its management company and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policy of the Company. A Complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment and determination of the remuneration and terms and conditions of the employment of the Chief Executive Officer, other executive directors, have been taken by the Board of the Asset Management Company as empowered by the relevant provisions of the Act and these Regulations.

The appointment and determination of the remuneration and terms and conditions of the employment of the non-executive directors have been taken by the Board of the Company as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. And the Board met at least once every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least 7 days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Company being an Investment Company has adopted a formal policy and transparent procedures for remuneration of directors the Code of Conduct of its Management Company and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
9. The Board has arranged no training programs for its directors during the year.
10. No new appointment of CFO, Company Secretary and Head of Internal audit has been made during the year. The remuneration and terms and conditions of employment were approved by the Board of the Asset Management Company.

11. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The Board has formed committee comprising of members given below:

Audit Committee

| Name | Status in Committee |
|-----------------------------|---------------------|
| Mr. Muhammad Siddiq Khokhar | Chairman |
| Mr. Aurangzeb Ali Naqvi | Member |
| Mr. Abdul Karim Memon | Member |

13. The terms of reference of the aforesaid committee have been formed documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

Audit Committee

| Frequency | Date |
|-----------|--------------------|
| Quarterly | September 25, 2018 |
| Quarterly | October 27, 2018 |
| Quarterly | February 19, 2019 |
| Quarterly | April 19, 2019 |

15. The Internal Audit function of the Company is performed by the Internal Audit department of the Asset Management Company who are considered suitable qualified and experienced for the purpose and are conversant with the policies and procedures of the Company Manager Internal Audit has been appointed dated July 10, 2018.
16. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, and registered with Audit Oversight Board 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 ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

For and On Behalf of the Board

Javaid Bashir Sheikh
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GOLDEN ARROW SELECTED STOCKS FUND LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Golden Arrow Selected Stocks Fund Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlighted below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph 15 in the Statement of Compliance:

| Reference | Description |
|------------------|--|
| Point 15 | the position of Head of Internal Audit remains vacant and the function is managed by manager internal audit. |

Karachi: September 27, 2019

Deloitte Yousuf Adil
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE SHARE HOLDERS GOLDEN ARROW SELECTED STOCKS FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Arrow Selected Stocks Fund Limited (the Company), which comprise the statement of assets and liabilities as at June 30, 2019, and the related income statement, statement of comprehensive income, statement of changes in equity, statement of movement in equity and reserves - per share, distribution statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of assets and liabilities, income statement, statement of comprehensive income, statement of changes in equity, statement of movement in equity and reserves - per share, distribution statement, statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss, other comprehensive income, the changes in equity, distribution statement, statement of movement in equity and reserves - per share and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 1.4 to these financial statements which discloses matters relating to conversion of the Company into an Open End Scheme. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|---|
| 1 | <p>Valuation and existence of investment</p> <p>As disclosed in note 6 to the financial statements, investments amounted to Rs.1.285 billion as at June 30, 2019.</p> <p>These investments represent a significant item on the statement of assets and liabilities. The Company invests principally in listed equity securities which is the main driver of the Company's performance.</p> | <ul style="list-style-type: none"> ● Evaluated the design and implementation of controls placed by the Company applicable to the investments; ● independently matched securities held by the Company with the securities appearing in the Central Depository Company account; ● independently tested valuations with the prices quoted on Pakistan Stock Exchange; ● performed purchases and sales testing on a sample of trades made during the year regarding movement of the securities; and |

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|--|---|
| 1 | Considering the above factors, the valuation and existence of investments are significant areas during our audit. Consequently, we have considered this as Key Audit Matter. | <ul style="list-style-type: none"> any differences identified during our testing that were over our acceptable threshold were investigated further |

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our audit report.

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

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

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of assets and liabilities, income statement, statement of comprehensive income, statement of changes in equity, statement of movement in equity and reserves - per share distribution statement, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Place: Karachi
Date: September 27, 2019

Deloitte Yousuf Adil
Chartered Accountants

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

| | Note | 2019 ----- (Rupees in '000) ----- | 2018 |
|---|------|--------------------------------------|------------------|
| ASSETS | | | |
| Bank balances | 5 | 54,762 | 55,070 |
| Investments | 6 | 1,285,172 | 1,556,648 |
| Receivable against sale of investments | | - | 1,826 |
| Loans and receivables | 7 | - | - |
| Dividend and profit receivable | 8 | 77 | 131 |
| Income tax refundable | | 328 | 307 |
| Security deposit | 9 | 2,750 | 2,750 |
| Total assets | | 1,343,089 | 1,616,732 |
| LIABILITIES | | | |
| Payable to AKD Investment Management Limited - Management Company | 10 | 3,018 | 3,910 |
| Accrued and other liabilities | 11 | 47,712 | 47,596 |
| Payable against purchase of investment | | 980 | - |
| Unclaimed dividend | | 51,702 | 52,257 |
| Total liabilities | | 103,412 | 103,763 |
| NET ASSETS | | 1,239,677 | 1,512,969 |
| SHAREHOLDERS' EQUITY | | | |
| Authorised capital | | | |
| 250,000,000 (June 30, 2018: 250,000,000) Ordinary shares of Rs. 5 each | | | |
| | | 1,250,000 | 1,250,000 |
| Issued, subscribed and paid-up capital | 12 | 760,492 | 760,492 |
| General reserve | | 500 | 500 |
| Undistributed income | | 478,685 | 751,977 |
| | | 1,239,677 | 1,512,969 |
| ----- (Rupees) ----- | | | |
| NET ASSETS VALUE PER SHARE | 13 | 8.15 | 9.95 |
| CONTINGENCIES AND COMMITMENTS | 14 | | |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

| | Note | 2019 ----- (Rupees in '000) ----- | 2018 |
|--|------|--------------------------------------|-----------|
| INCOME | | | |
| Capital gain on sale of investment - net | 15 | 114 | 3,562 |
| Dividend income | | 35,501 | 47,469 |
| Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net | 6.1 | (272,246) | (215,335) |
| Profit on bank deposits | | 3,378 | 2,854 |
| Total Loss | | (233,253) | (161,450) |
| EXPENSES | | | |
| Remuneration to AKD Investment Management Limited - Management Company | 10.1 | 28,239 | 32,882 |
| Sindh Sales tax on remuneration of Management Company | 16 | 3,671 | 4,275 |
| Annual fee to Securities and Exchange Commission of Pakistan | | 1,341 | 1,562 |
| Remuneration to Custodian - Central Depository Company of Pakistan Limited | | 765 | 901 |
| Auditors' remuneration | 17 | 429 | 430 |
| Legal and professional charges | | 288 | 1,438 |
| Annual listing fee | | 536 | 404 |
| Central depository system charges | | 504 | 371 |
| Fees and subscription | | 560 | 538 |
| Securities transaction cost | | 579 | 854 |
| Bank charges | | 6 | 9 |
| Directors' fee and related expenses | | 711 | 1,051 |
| Printing and postage | | 590 | 1,017 |
| Sales tax on custodian and central depository system charges | | 103 | 165 |
| Advertisement | | 305 | 548 |
| Expenses allocated by the Management Company | | 1,412 | 1,644 |
| Provision for Sindh Workers' Welfare Fund | 11.3 | - | - |
| Impairment expense | | - | 1,282 |
| Total expenses | | 40,039 | 49,371 |
| Net loss before taxation | | (273,292) | (210,821) |
| Taxation | 19 | - | - |
| Net loss after taxation | | (273,292) | (210,821) |
| ----- (Rupees) ----- | | | |
| Loss per share - basic and diluted | 20 | (1.80) | (1.39) |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

| | 2019 | 2018 |
|--|------------------------------|-----------|
| | ----- (Rupees in '000) ----- | |
| Net loss after taxation | (273,292) | (210,821) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss for the year | (273,292) | (210,821) |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

| | 2019 | 2018 |
|--|------------------------------|----------------|
| | ----- (Rupees in '000) ----- | |
| Undistributed income brought forward | 751,977 | 1,130,106 |
| Net loss after taxation for the year | (273,292) | (210,821) |
| Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share) declared on September 20, 2017 | - | (167,308) |
| Undistributed income carried forward | 478,685 | 751,977 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2019

| | 2019 | 2018 |
|--|------------------------------|------------------|
| Note | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (273,292) | (210,821) |
| Adjustments for non cash and other items: | | |
| Gain on sale of investments - net | (114) | (3,562) |
| Unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net | 272,246 | 215,335 |
| | (1,160) | 952 |
| Decrease / (increase) in assets | | |
| Receivable against sale of investments | 1,826 | (1,826) |
| Loans and receivables | - | 1,482 |
| Dividend and profit receivable | 54 | 2,486 |
| Income tax refundable | (21) | - |
| | 1,859 | 2,142 |
| (Decrease) / increase in liabilities | | |
| Payable to the Management Company | (892) | (1,902) |
| Payable against purchase of investment | 980 | - |
| Accrued and other liabilities | 116 | (587) |
| | 204 | (2,489) |
| Proceeds from sale of investment | 193,114 | 409,624 |
| Purchase of investment | (193,770) | (245,016) |
| | (656) | 164,608 |
| Net cash generated from operating activities | 247 | 165,213 |
| CASH FLOW FROM FINANCING ACTIVITY | | |
| Dividend paid | (555) | (173,912) |
| Net cash used in financing activity | (555) | (173,912) |
| Net decrease in cash and cash equivalents | (308) | (8,699) |
| Cash and cash equivalents at the beginning of the year | 55,070 | 63,769 |
| Cash and cash equivalents at the end of the year | 54,762 | 55,070 |

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The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019**

| | Share capital | General reserve | Undistributed income | Total |
|--|------------------------------|--------------------|-------------------------|------------------|
| | ----- (Rupees in '000) ----- | | | |
| Balance as at July 01, 2017 | 760,492 | 500 | 1,130,106 | 1,891,098 |
| Net loss for the year | - | - | (210,821) | (210,821) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive loss for the year ended June 30, 2018 | - | - | (210,821) | (210,821) |
| Transaction with owners | | | | |
| Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share) | - | - | (167,308) | (167,308) |
| Balance as at June 30, 2018 | 760,492 | 500 | 751,977 | 1,512,969 |
| Net loss for the year | - | - | (273,292) | (273,292) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive loss for the year ended June 30, 2019 | - | - | (273,292) | (273,292) |
| Balance as at June 30, 2019 | 760,492 | 500 | 478,685 | 1,239,677 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

**STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE
FOR THE YEAR ENDED JUNE 30, 2019**

| | 2019 | 2018 |
|--|----------------------|---------------|
| | ----- (Rupees) ----- | |
| Net assets value per share at the beginning of the year | 9.95 | 12.43 |
| Capital gain on sale of investments - net | - | 0.02 |
| Dividend income | 0.23 | 0.31 |
| Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' | (1.79) | (1.41) |
| Profit on bank deposits | 0.02 | 0.02 |
| Net loss for the year | (1.54) | (1.06) |
| Operating expenses | (0.26) | (0.32) |
| Final dividend for the year ended | | |
| June 30, 2018 @ Nil (Rs.Nil per share) | | |
| June 30, 2017 @ 22% (Rs.1.10 per share) | - | (1.10) |
| Net assets value per share | 8.15 | 9.95 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Golden Arrow Selected Stocks Fund Limited (the Company) was incorporated on May 09, 1983 in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Act, 2017). The Company got registered as an investment company on April 29, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules). The registered office of the Company is situated at 216-217, 2nd Floor, Continental Trade Centre, Block 8, Clifton, Karachi. The Company is listed on the Pakistan Stock Exchange Limited. The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.
- 1.2 The Company is managed by AKD Investment Management Limited and Central Depository Company of Pakistan Limited is the custodian of the Company.
- 1.3 The Pakistan Credit Rating Company Limited (PACRA) have assigned Asset Manager Rating of 'AM3++' to the Management Company dated February 08, 2019. PACRA has also assigned Company performance ranking of "MFR 4-Star", "MFR 5-Star" and "MFR 5-Star" to the Company in performance period of 1 year, 3 year and 5 year category on February 28, 2019 respectively.
- 1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). In 2013, SECP vide its Notification S.R.O 1399(I) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

In compliance with above referred regulation, the Company convened a meeting of shareholders on January 31, 2013. However, neither the conversion of the Company into an Open End Scheme nor its winding up was approved by the shareholders by the majority specified in the said regulation. This fact was communicated to the stock exchanges and the SECP.

Subsequently, the Company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another extra ordinary general meeting of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honourable Sindh High Court on the ground that Regulation 65 is ultra vires. The Honourable Sindh High Court, after a preliminary hearing, has granted an ad-interim relief to the Company by restraining the SECP from taking any coercive action against the Company during the pendency of the petition.

The board of directors in their meeting held on January 09, 2018 resolved that the Company be converted from closed end scheme to an open end scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and has approved a scheme of arrangement for the same. Further, the board has decided to place the scheme of arrangement before the shareholders for their approval by special resolution in an extra

ordinary general meeting held on February 15, 2018, in which the shareholders had approved the conversion.

Following the approval in EOGM, case filed by Company against Federation of Pakistan and SECP has been disposed off for which court order has been received by the Company. The Company submitted application to SECP for the conversion of Golden Arrow Selected Stocks Fund Limited into an open end scheme. The SECP has approved the conversion of Golden Arrow Selected Stocks Fund Limited into an Open-End Scheme in terms of Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide its letter dated February 14, 2019. The effective date of conversion shall be no later than July 01, 2019.

Subsequently AKD Investment Management Limited (management company) requested SECP for extension of conversion scheme uptill October 01, 2019 and SECP later approved this request vide letter No. SCD/AMCW/GASSFL/11/2019.

The Management Company has further requested the SECP for an extension of conversion uptill December 01, 2019 response in this regard is still awaited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- Classification and valuation of financial assets (notes 4.1.1 and 6.1)
- Impairment of financial assets (notes 4.1.1 (b))
- Taxation (notes 4.6 and 19)

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures and impact of IFRS 9 as disclosed in note 4.1.

| | Effective for accounting periods beginning on or after: |
|--|--|
| Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions | January 01, 2018 |
| IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9. | January 01, 2018 |
| IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date. | July 01, 2018 |
| IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date. | July 01, 2018 |
| Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property | January 01, 2018 |
| IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency. | January 01, 2018 |

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

| | Effective from accounting periods beginning on or after: |
|--|--|
| Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business | January 01, 2020 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities | January 01, 2019 |
| Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture | Effective from accounting period beginning on or after a date to be |
| IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date. | January 01, 2019 |
| Amendments to References to the Conceptual Framework in IFRS Standards | January 01, 2020 |
| Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material | January 01, 2020 |
| Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements. | January 01, 2019 |
| Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. | January 01, 2019 |
| IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. | January 01, 2019 |

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as explained in note 4.1 to these financial statements.

4.1 Impact of initial application of IFRS 9 Financial Instruments

4.1.1 During the current financial year, the Company has applied IFRS 9 Financial Instruments issued on July 24, 2017 and the related consequential amendments to other IFRS Standards that are effective for an annual period ending on or after June 30, 2019 based on adoption date communicated by Securities and Exchange Commission of Pakistan. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

"IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below except the General Hedge Accounting which the Company does not apply. The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell assets.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset;

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from statement of changes in equity to income statement as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to undistributed income directly.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Company's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- there is no change in the measurement of the Company's investments in equity shares that were held for trading under IAS 39; those instruments were and continue to be measured in the same manner under the new classification of IFRS 9 i.e. at FVTPL;
- the Company's investment in equity shares that were classified as available-for-sale financial assets under IAS 39 have been classified as financial assets at FVTPL because they are held within a business model whose objective is primarily to sell the securities. The change in the fair value on these securities will be recorded in the income statement;
- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost using effective interest rate method under the same classification of IFRS 9 "Amortised Cost" as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Company is performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors is in the form of net asset value (NAV). The investment portfolio of financial assets is also managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

None of the other reclassifications of financial assets have had any impact on the Company's financial position, income statement, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

The SECP / Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual fund's. Therefore the Company will not be subject to the impairment provisions of IFRS 9 on debt securities.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Company is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

(c) Classification and measurement of financial liabilities

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities because the Company does not have any financial liabilities designated as FVTPL.

(d) Disclosure in relation to the initial application of IFRS 9

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

| Financial assets and financial liabilities | Original classification as per IAS 39 | New classification as per IFRS 9 | Carrying amount as per IAS 39 as on June 30, 2018 | Carrying amount on initial adoption of IFRS 9 on July 01, 2018 | Effect on July 01, 2018 on Retained Earnings |
|--|---------------------------------------|----------------------------------|---|--|--|
|--|---------------------------------------|----------------------------------|---|--|--|

-----Rupees in "000"-----

Financial assets

| | | | | | |
|---------------------------------------|-----|-------|-----------|-----------|---|
| Bank balances | LR | AC | 55,070 | 55,070 | - |
| Investments | HFT | FVTPL | 1,556,648 | 1,556,648 | - |
| Receivable against sale of investment | LR | AC | 1,826 | 1,826 | - |
| Dividend and profit receivable | LR | AC | 131 | 131 | - |
| Security deposit | LR | AC | 2,750 | 2,750 | - |

Financial liabilities

| | | | | | |
|--|-----|----|--------|--------|---|
| Payable to AKD Investment Management Limited | OFL | AC | 3,910 | 3,910 | - |
| Accrued and other liabilities | OFL | AC | 47,596 | 47,596 | - |
| Unclaimed dividend | OFL | AC | 52,257 | 52,257 | - |

- "LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

4.1.2 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation

- Equity securities are initially recognised at cost excluding any transaction costs which are charged to profit or loss and subsequently measured at fair value through profit or loss. The fair value of investments is determined by using closing rate of securities at day end available on the PSX website.
- Appreciation and diminution arising from changes in fair value of financial assets classified as fair value through profit or loss are recognised in Income Statement.

4.1.3 Transition to IFRS 9 Financial Instruments

Accounting policies applied to financial instruments prior to July 01, 2018.

Classification

The Company classifies its financial assets in the following categories: 'at fair value through profit or loss', loans and receivables, and 'available for sale'. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at the time of initial recognition and re-evaluates this classification on a regular basis.

(a) Investments as 'at fair value through profit or loss'

An instrument is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated as 'at fair value through profit or loss' if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

Financial instruments as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in Income Statement.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(c) Available for sale

These are non-derivatives financial assets that are either designated in this category or are not classified in any of the other categories mentioned above.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not 'at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities 'at fair value through profit or loss' are expensed immediately.

Subsequent to initial recognition, instruments classified as financial assets 'at fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognised in the Income Statement. The changes in the fair value of instruments classified as 'available for sale' are recognised in other comprehensive income until derecognised or impaired when the accumulated fair value adjustments recognised in other comprehensive income are transferred to Income Statement through other comprehensive income.

Financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at 'fair value through profit or loss', are measured at amortised cost using the effective interest rate method.

Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.5 Provisions

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

4.6 Taxation

The Company is exempt from taxation under clause 99 of Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Company's share holders.

The Company is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Company does not account for deferred tax in these financial statements as the Company intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its share holders.

4.7 Proposed dividend and transfer between reserves

Dividend declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividend are declared / transfers are made.

4.8 Net assets value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Company by the number of shares in issue at the year end.

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive dividend is established.
- Income on bank balances is recognised on an accrual basis.

4.10 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee payable to the SECP, and selling and marketing expense) are recognised in the Income Statement on an accrual basis.

4.11 Transaction Cost

Transaction cost incurred to acquire financial assets at Fair value through profit or loss (FVTPL) are immediately recognised as expense in income statement.

| | | 2019 | 2018 |
|---|------|------------------------------|------------------|
| | Note | ----- (Rupees in '000) ----- | ----- |
| 5. BANK BALANCES | | | |
| PLS savings accounts | 5.1 | 45,905 | 46,179 |
| Current accounts | | 8,857 | 8,891 |
| | | <u>54,762</u> | <u>55,070</u> |
| 5.1 | | | |
| Profit rates on PLS saving accounts range between 4.75% to 10.50% (June 30, 2018: 4.50% to 6%) per annum. | | | |
| | | 2019 | 2018 |
| | Note | ----- (Rupees in '000) ----- | ----- |
| 6. INVESTMENTS - At fair value through profit or loss | | | |
| Financial asset 'at fair value through profit or loss' | | | |
| - Listed equity securities | 6.1 | <u>1,285,172</u> | <u>1,556,648</u> |

6.1 Listed equity securities - At fair value through profit or loss

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

| Name of the investee company | Face value per share | -----Number of shares----- | | | | | Balance as at June 30, 2019 | | | Percentage in relation to | | |
|--|----------------------|----------------------------|---------------------------|---------------------|-----------------------|----------------------------|-----------------------------|----------------|----------------------------|---|--|--|
| | | Opening balance | Purchases during the year | Bonus / right issue | Sales during the year | Closing balance | Carrying cost | Market value | Appreciation/ (diminution) | Market value as percentage of total investments | Market value as percentage of net assets | Paid up value of shares as a percentage of total paid up capital of the investee company |
| Shares of listed companies - fully paid ordinary shares | | | | | | ----- Rupees in '000 ----- | | | ----- % ----- | | | |
| Automobile Assembler | | | | | | | | | | | | |
| Atlas Honda Limited | 10 | 30,000 | - | 6,000 | - | 36,000 | 15,300 | 11,580 | (3,720) | 0.90 | 0.93 | 0.03 |
| Honda Atlas Cars (Pakistan) Limited | 10 | 5,000 | - | - | - | 5,000 | 1,582 | 742 | (840) | 0.06 | 0.06 | 0.00 |
| Ghandhara Industries Limited | 10 | - | 25,000 | - | - | 25,000 | 9,375 | 2,184 | (7,191) | 0.17 | 0.18 | 0.06 |
| | | | | | | | 26,257 | 14,506 | (11,751) | | | |
| Automobile Parts & Accessories | | | | | | | | | | | | |
| Thal Limited | 5 | 280,000 | - | - | - | 280,000 | 133,708 | 101,937 | (31,771) | 7.93 | 8.22 | 0.35 |
| | | | | | | | 133,708 | 101,937 | (31,771) | | | |
| Cable & Electrical Goods | | | | | | | | | | | | |
| Pakistan Cables Limited | 10 | 373,625 | 6,500 | - | - | 380,125 | 71,012 | 53,415 | (17,597) | 4.16 | 4.31 | 1.07 |
| | | | | | | | 71,012 | 53,415 | (17,597) | | | |
| Cement | | | | | | | | | | | | |
| Dewan Cement Limited | 10 | 50,000 | - | - | 50,000 | - | - | - | - | - | - | - |
| Javedan Corporation Limited (**) | 10 | 4,133,950 | - | 330,716 | 18,000 | 4,446,666 | 147,399 | 142,338 | (5,061) | 11.08 | 11.48 | 1.54 |
| | | | | | | | 147,399 | 142,338 | (5,061) | | | |
| Chemical | | | | | | | | | | | | |
| Archroma Pakistan Limited | 10 | 44,472 | - | - | 350 | 44,122 | 22,282 | 20,965 | (1,317) | 1.63 | 1.69 | 0.13 |
| Buxly Paints Limited | 10 | 36,500 | - | - | - | 36,500 | 3,407 | 1,595 | (1,812) | 0.12 | 0.13 | 2.53 |
| Dynea Pakistan Limited | 5 | 336,733 | - | - | - | 336,733 | 42,799 | 23,568 | (19,231) | 1.83 | 1.90 | 1.78 |
| Engro Polymer & Chemical Limited | 10 | 292,489 | 200,000 | - | 492,489 | - | - | - | - | - | - | - |
| Ghani Gases Limited | 10 | 126 | - | 6 | - | 132 | 2 | 1 | (1) | - | - | - |
| Lotte Chemical Pakistan Limited | 10 | 1,250,000 | - | - | 1,250,000 | - | - | - | - | - | - | - |
| Nimir Industrial Chemicals Limited | 10 | 672,500 | - | - | - | 672,500 | 46,073 | 34,392 | (11,681) | 2.68 | 2.77 | 0.61 |
| | | | | | | | 114,563 | 80,521 | (34,042) | | | |
| Commercial Banks | | | | | | | | | | | | |
| Allied Bank Limited | 10 | 237,500 | - | - | 237,500 | - | - | - | - | - | - | - |
| BankIslami Pakistan Limited | 10 | 6,953,428 | 3,535,000 | - | - | 10,488,428 | 125,500 | 120,512 | (4,988) | 9.38 | 9.72 | 1.04 |
| Faysal Bank Limited | 10 | 50,000 | - | - | 50,000 | - | - | - | - | - | - | - |
| United Bank Limited | 10 | - | 24,500 | - | 24,500 | - | - | - | - | - | - | - |
| National Bank of Pakistan | 10 | - | 50,000 | - | - | 50,000 | 2,575 | 1,683 | (892) | 0.13 | 0.14 | - |
| Habib Bank Limited | 10 | - | 85,000 | - | 35,000 | 50,000 | 7,404 | 5,663 | (1,741) | 0.44 | 0.46 | - |
| Summit Bank Limited | 10 | 2,700,159 | 1,000,000 | - | - | 3,700,159 | 7,034 | 2,405 | (4,629) | 0.19 | 0.19 | 0.14 |
| | | | | | | | 142,513 | 130,263 | (12,250) | | | |

| Name of the investee company | Face value per share | -----Number of shares----- | | | | | Balance as at June 30, 2019 | | | Percentage in relation to | | |
|---|----------------------|----------------------------|---------------------------|---------------------|-----------------------|----------------------------|-----------------------------|---------------|----------------------------|---|--|--|
| | | Opening balance | Purchases during the year | Bonus / right issue | Sales during the year | Closing balance | Carrying cost | Market value | Appreciation/ (diminution) | Market value as percentage of total investments | Market value as percentage of net assets | Paid up value of shares as a percentage of total paid up capital of the investee company |
| | | | | | | ----- Rupees in '000 ----- | | | ----- % ----- | | | |
| Engineering | | | | | | | | | | | | |
| Amreli Steels Limited | 10 | - | 40,000 | - | - | 40,000 | 980 | 986 | 6 | 0.08 | 0.08 | 0.01 |
| Aisha Steel Mills Limited | 10 | 2,875,000 | - | - | 364,000 | 2,511,000 | 39,598 | 23,101 | (16,497) | 1.80 | 1.86 | 0.33 |
| Dost Steels Limited | 10 | 133,000 | - | - | - | 133,000 | 1,052 | 458 | (594) | 0.04 | 0.04 | 0.04 |
| Huffaz Seamless Pipe Industries Limited | 10 | 391,745 | - | - | 50,000 | 341,745 | 7,142 | 4,607 | (2,535) | 0.36 | 0.37 | 0.62 |
| | | | | | | | 48,772 | 29,152 | (19,620) | | | |
| Food & Personal Care Products | | | | | | | | | | | | |
| Murree Brewery Company Limited | 10 | 37,950 | - | - | 37,950 | - | - | - | - | - | - | - |
| Quice Food Industries Limited | 10 | 1,547,500 | - | - | - | 1,547,500 | 7,738 | 4,194 | (3,544) | 0.33 | 0.34 | 1.57 |
| National Foods Limited | 5 | - | 100,000 | - | - | 100,000 | 18,700 | 18,416 | (284) | 1.43 | 1.49 | 0.08 |
| Al Shaheer Corporation Limited | 10 | - | 587,000 | - | - | 587,000 | 16,169 | 7,396 | (8,773) | 0.58 | 0.60 | 0.41 |
| | | | | | | | 42,607 | 30,006 | (12,601) | | | |
| Glass & Ceramics | | | | | | | | | | | | |
| Balochistan Glass Limited | 10 | 110,000 | - | - | - | 110,000 | 1,159 | 441 | (718) | 0.03 | 0.04 | 0.04 |
| Shabbir Tiles & Ceramics Limited | 5 | 388 | - | - | - | 388 | 8 | 4 | (4) | - | - | - |
| | | | | | | | 1,167 | 445 | (722) | | | |
| Insurance | | | | | | | | | | | | |
| Century Insurance Company Limited | 10 | 423,559 | - | - | - | 423,559 | 9,458 | 7,412 | (2,046) | 0.58 | 0.60 | 0.84 |
| EFU General Insurance Limited | 10 | 155,700 | - | - | - | 155,700 | 23,313 | 15,626 | (7,687) | 1.22 | 1.26 | 0.08 |
| Habib Insurance Company Limited | 5 | 300,183 | - | - | - | 300,183 | 3,602 | 2,705 | (897) | 0.21 | 0.22 | 0.24 |
| TPL Insurance Limited | 10 | 330,346 | - | 42,944 | - | 373,290 | 7,089 | 7,817 | 728 | 0.61 | 0.63 | 0.40 |
| | | | | | | | 43,462 | 33,560 | (9,902) | | | |
| Investment banks / inv. cos. / securities cos. | | | | | | | | | | | | |
| Jahangir Siddiqui & Company Limited | 10 | 2,165,000 | - | - | - | 2,165,000 | 39,381 | 23,425 | (15,956) | 1.82 | 1.89 | 0.24 |
| JS Investments Limited | 10 | 394,000 | 16,500 | - | 20,000 | 390,500 | 3,618 | 6,033 | 2,415 | 0.47 | 0.49 | 0.49 |
| Pakistan Stock Exchange Limited | 10 | 4,579,198 | 270,000 | - | - | 4,849,198 | 95,214 | 63,040 | (32,174) | 4.91 | 5.09 | 0.61 |
| | | | | | | | 138,213 | 92,498 | (45,715) | | | |
| Miscellaneous | | | | | | | | | | | | |
| MACPAC Films Limited | 10 | 1,210,171 | - | - | 12,500 | 1,197,671 | 35,403 | 16,288 | (19,115) | 1.27 | 1.31 | 2.02 |
| Pakistan Services Limited | 10 | 13,400 | - | - | - | 13,400 | 13,199 | 13,668 | 469 | 1.06 | 1.10 | 0.04 |
| | | | | | | | 48,602 | 29,956 | (18,646) | | | |

| Name of the investee company | Face value per share | -----Number of shares----- | | | | | Balance as at June 30, 2019 | | | Percentage in relation to | | |
|--|----------------------|----------------------------|---------------------------|---------------------|-----------------------|----------------------------|-----------------------------|----------------|----------------------------|---|--|--|
| | | Opening balance | Purchases during the year | Bonus / right issue | Sales during the year | Closing balance | Carrying cost | Market value | Appreciation/ (diminution) | Market value as percentage of total investments | Market value as percentage of net assets | Paid up value of shares as a percentage of total paid up capital of the investee company |
| | | | | | | ----- Rupees in '000 ----- | | | ----- % ----- | | | |
| Oil & Gas Exploration Companies | | | | | | | | | | | | |
| Oil & Gas Development Company Limited | 10 | 265,000 | - | - | 205,000 | 60,000 | 9,337 | 7,889 | (1,448) | 0.61 | 0.64 | - |
| Pakistan Petroleum Limited | 10 | 125,000 | - | 11,250 | 86,250 | 50,000 | 9,343 | 7,222 | (2,121) | 0.56 | 0.58 | - |
| | | | | | | | 18,680 | 15,111 | (3,569) | | | |
| Oil & Gas Marketing Companies | | | | | | | | | | | | |
| Sui Southern Gas Company Limited | 10 | 100,000 | - | - | 100,000 | - | - | - | - | - | - | - |
| | | | | | | | - | - | - | | | |
| Paper & Board | | | | | | | | | | | | |
| Merit Packaging Limited | 10 | 1,350,296 | - | - | - | 1,350,296 | 30,382 | 40,198 | 9,816 | 3.13 | 3.24 | 1.67 |
| Pakistan Paper Products Limited | 10 | 179,000 | 6 | 59,660 | - | 238,666 | 21,498 | 26,969 | 5,471 | 2.10 | 2.18 | 2.98 |
| | | | | | | | 51,880 | 67,167 | 15,287 | | | |
| Power Generation & Distribution | | | | | | | | | | | | |
| K-Electric Limited | 3.5 | 13,928,500 | - | - | 1,000,000 | 12,928,500 | 73,434 | 56,756 | (16,678) | 4.42 | 4.58 | 0.05 |
| Sitara Energy Limited | 10 | 263,151 | - | - | - | 263,151 | 5,997 | 6,815 | 818 | 0.53 | 0.55 | 1.38 |
| | | | | | | | 79,431 | 63,571 | (15,860) | | | |
| Sugar & Allied Industries | | | | | | | | | | | | |
| Imperial Sugar Limited | 10 | 378,000 | - | - | - | 378,000 | 10,180 | 4,525 | (5,655) | 0.35 | 0.37 | 0.38 |
| Shahtaj Sugar Mills Limited | 10 | 24,537 | - | - | - | 24,537 | 2,849 | 1,053 | (1,796) | 0.08 | 0.08 | 0.20 |
| | | | | | | | 13,029 | 5,578 | (7,451) | | | |
| Synthetics & Rayon | | | | | | | | | | | | |
| Pakistan Synthetics Limited | 10 | 1,165,000 | - | - | - | 1,165,000 | 29,230 | 27,494 | (1,736) | 2.14 | 2.22 | 2.08 |
| Rupali Polyester Limited | 10 | 12,701 | - | - | - | 12,701 | 375 | 350 | (25) | 0.03 | 0.03 | 0.04 |
| | | | | | | | 29,605 | 27,844 | (1,761) | | | |
| Technology & Communication | | | | | | | | | | | | |
| Hum Network Limited | 1 | 118,000 | - | - | - | 118,000 | 955 | 374 | (581) | 0.03 | 0.03 | 0.01 |
| Pakistan Telecommunication Company Limited | 10 | 1,700,000 | - | - | 100,000 | 1,600,000 | 18,304 | 13,232 | (5,072) | 1.03 | 1.07 | 0.04 |
| TRG Pakistan Limited (*) | 10 | 3,918,417 | 2,541,000 | - | 800,000 | 5,659,417 | 149,733 | 92,588 | (57,145) | 7.20 | 7.47 | 1.04 |
| | | | | | | | 168,992 | 106,194 | (62,798) | | | |

| Name of the investee company | Face value per share | -----Number of shares----- | | | | Balance as at June 30, 2019 | | | Percentage in relation to | | | |
|---|----------------------|----------------------------|---------------------------|---------------------|-----------------------|-----------------------------|------------------|------------------|----------------------------|---|--|--|
| | | Opening balance | Purchases during the year | Bonus / right issue | Sales during the year | Closing balance | Carrying cost | Market value | Appreciation/ (diminution) | Market value as percentage of total investments | Market value as percentage of net assets | Paid up value of shares as a percentage of total paid up capital of the investee company |
| | | | | | | ----- Rupees in '000 ----- | | | ----- % ----- | | | |
| Textile Composite | | | | | | | | | | | | |
| Dawood Lawrencepur Limited | 10 | 62,159 | - | - | 100 | 62,059 | 10,906 | 12,004 | 1,098 | 0.93 | 0.97 | 0.11 |
| Gul Ahmed Textile Mills Limited | 10 | 300,000 | - | - | 30,000 | 270,000 | 11,591 | 12,722 | 1,131 | 0.99 | 1.03 | 0.08 |
| AN Textile Mills Limited | 10 | 6,500 | - | - | - | 6,500 | 59 | 58 | (1) | 0.00 | 0.00 | 0.07 |
| Nishat (Chunian) Limited | 10 | - | 25,000 | - | - | 25,000 | 1,431 | 876 | (555) | 0.07 | 0.07 | 0.01 |
| Kohinoor Mills Limited | 10 | 80,500 | - | - | - | 80,500 | 2,381 | 1,759 | (622) | 0.14 | 0.14 | 0.16 |
| Sapphire Fibres Limited | 10 | 47 | - | - | - | 47 | 43 | 39 | (4) | - | - | - |
| | | | | | | 26,411 | 27,458 | 1,047 | | | | |
| Textile Spinning | | | | | | | | | | | | |
| Crescent Fibres Limited | 10 | 42,000 | - | - | - | 42,000 | 1,071 | 1,594 | 523 | 0.12 | 0.13 | 0.34 |
| Din Textile Mills Limited | 10 | 54,729 | - | 16,418 | - | 71,147 | 5,187 | 5,781 | 594 | 0.45 | 0.47 | 0.24 |
| Ellicot Spinning Mills Limited | 10 | 883,554 | - | - | - | 883,554 | 63,086 | 69,796 | 6,710 | 5.43 | 5.63 | 8.07 |
| Fazal Cloth Mills Limited | 10 | 12,406 | - | - | - | 12,406 | 1,857 | 1,737 | (120) | 0.14 | 0.14 | 0.04 |
| Gadon Textile Mills Limited | 10 | 19,301 | - | - | 19,301 | - | - | - | - | - | - | - |
| Island Textile Mills Limited | 10 | 40,600 | - | - | - | 40,600 | 48,720 | 86,884 | 38,164 | 6.76 | 7.01 | 8.12 |
| Saif Textile Mills Limited | 10 | 217,000 | - | - | - | 217,000 | 3,798 | 2,075 | (1,723) | 0.16 | 0.17 | 0.82 |
| Premium Textile Mills Limited | 10 | 23,400 | - | - | - | 23,400 | 4,680 | 4,940 | 260 | 0.38 | 0.40 | 0.38 |
| | | | | | | 128,399 | 172,807 | 44,408 | | | | |
| Textile Weaving | | | | | | | | | | | | |
| Prosperity Weaving Mills Limited | 10 | 84,591 | - | - | - | 84,591 | 2,199 | 2,876 | 677 | 0.22 | 0.23 | 0.46 |
| | | | | | | 2,199 | 2,876 | 677 | | | | |
| Vanaspati & Allied Industries | | | | | | | | | | | | |
| Unity Foods Limited | 10 | - | 400,500 | 444,764 | 200,000 | 645,264 | 6,978 | 6,646 | (332) | 0.52 | 0.54 | 0.12 |
| Unity Foods Limited - Rights | 10 | - | - | - | - | - | - | - | - | - | - | - |
| Punjab Oil Mills Limited | 10 | 234,000 | - | - | - | 234,000 | 66,335 | 46,729 | (19,606) | 3.64 | 3.77 | 4.34 |
| S.S. Oil Mills Limited | 10 | 180,100 | - | - | - | 180,100 | 7,204 | 4,594 | (2,610) | 0.36 | 0.37 | 3.18 |
| | | | | | | 80,517 | 57,969 | (22,548) | | | | |
| Total listed equity securities as at June 30, 2019 | | | | | | 1,557,418 | 1,285,172 | (272,246) | | | | |
| Total listed equity securities as at June 30, 2018 | | | | | | 1,771,983 | 1,556,648 | (215,335) | | | | |
| * This includes 2,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin. | | | | | | | | | | | | |
| ** The exposure limit of investment in a single as a percentage of net assets exceeded by 1.48% against prescribed limit of 10% of total net assets as required under NBFC regulation 2008. Subsequently this limit is in line with total net assets. | | | | | | | | | | | | |

| | | 2019 | 2018 |
|--------------------------------------|------|------------------------------|---------|
| | Note | ----- (Rupees in '000) ----- | |
| 7. LOANS AND RECEIVABLES | | | |
| Preference Shares | | | |
| Security Leasing Corporation Limited | 7.1 | - | 1,482 |
| Less: Provision for impairment | | - | (1,482) |
| | | - | - |

7.1 In view of its adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. The management has fully provided for its investment during the year ended June 30, 2018.

| | | 2019 | 2018 |
|--|------|------------------------------|-------|
| | Note | ----- (Rupees in '000) ----- | |
| 8. DIVIDEND AND PROFIT RECEIVABLE | | | |
| Dividend receivable | | 61 | 114 |
| Profit receivable on bank balances | | 16 | 17 |
| | | 77 | 131 |
| 9. SECURITY DEPOSIT | | | |
| National Clearing Company of Pakistan Limited | | 2,750 | 2,750 |
| 10. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| Management fee | 10.1 | 2,050 | 2,573 |
| Sindh Sales tax on management fees | 16 | 266 | 334 |
| Others | 10.2 | 600 | 600 |
| Expenses allocated by the Management Company | 10.3 | 102 | 403 |
| | | 3,018 | 3,910 |

10.1 The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

10.2 This includes amount payable to the Management Company being legal charges borne by the Company for defending itself against the law suit filed in respect of clause 65 of the NBFC Regulations as more fully explained in note 1.4 above.

10.3 Up till June 19, 2019, in accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019, has removed the maximum cap of 0.1%. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Company being lower than actual expenses chargeable to the Company, from July 01, 2018 to June 19, 2019 and actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

| | Note | 2019 ----- (Rupees in '000) ----- | 2018 |
|--|------|--------------------------------------|---------------|
| 11. ACCRUED AND OTHER LIABILITIES | | | |
| Annual fee payable to Securities and Exchange Commission of Pakistan | 11.1 | 1,341 | 1,562 |
| Brokerage payable | | 19 | 117 |
| Custodian fee / charges | | 56 | 71 |
| Auditors' remuneration | | 702 | 415 |
| Unclaimed amount due to shareholders on reduction of share capital | | 45 | 45 |
| Withholding tax payable | | 2 | 11 |
| Accrued expenses | | 1,408 | 1,234 |
| Sales tax payable to CDC | | 7 | 9 |
| Federal excise duty on remuneration to management company | 11.2 | 16,592 | 16,592 |
| Provision for Sindh Workers' Welfare Fund | 11.3 | 27,540 | 27,540 |
| | | 47,712 | 47,596 |

11.1 Annual fee payable to SECP

This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Company is required to pay SECP an amount equal to 0.095% (June 30, 2018: 0.095%) of the average daily net assets.

11.2 Federal Excise Duty on remuneration to the Management Company

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Close End Scheme were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Close End Scheme, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Company has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made prior to this period has been maintained by the Company which at June 30, 2019 aggregates to Rs. 16.59 (2018: Rs. 16.59) million. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2019 would have been higher by Re. 0.109 per unit (2018: Re 0.109 per unit).

11.3 Provision for Sindh Workers' Welfare Fund

The Supreme Court of Pakistan passed a judgment on November 10, 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments through Finance Act, 2006 and 2008

pertaining to Workers' Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Act. The Federal Board of Revenue has filed a petition in the Supreme Court against the said judgment, which is pending hearing.

Mutual Fund Association of Pakistan (MUFAP), on behalf of all Asset Management Companies (AMCs), obtained a legal opinion dated December 5, 2016 on the matter, according to which there is no longer any basis in law to claim WWF payments from the mutual funds under the WWF Ordinance. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB on November 11, 2016 responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also obtained a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The aggregate balance of SWWF provision in the books of accounts of the Fund as on June 30, 2019 is Rs. 27.540 million (2018: 27.540). Had this provision not been made, the NAV of the Fund would have been higher by Re.0.181 per unit (2018: Re. 0.181 per unit).

The SECP has also concurred with the directions issued by MUFAP through its letter no. SCD/AMCW/MUFAP/2017 - 405 dated February 01, 2017.

12. SHARE CAPITAL

Issued, subscribed and paid-up capital

| 2019 ----- Number of shares ----- | 2018 | Fully paid Ordinary shares of Rs.5 each | 2019 ----- (Rupees in '000) ----- | 2018 |
|--------------------------------------|--------------------|--|--------------------------------------|----------------|
| 110,591,593 | 110,591,593 | Issued for cash | 552,958 | 552,958 |
| 41,506,751 | 41,506,751 | Issued as bonus shares | 207,534 | 207,534 |
| 152,098,344 | 152,098,344 | | 760,492 | 760,492 |

- 12.1 AKD Investment Management Limited and AKD Securities Limited held 23,682,895 (June 30, 2018: 23,882,895) and 2,889 (June 30, 2018: 2,889) shares respectively of the Company as at June 30, 2019. Other related parties as disclosed in note 22 held 5,633,135 shares (June 30, 2018: 5,403,135 shares) as at June 30, 2019.

12.2 Pattern of shareholding of the Company as at June 30, 2019 is as follows:

| Category | Share holding | | |
|------------------------------------|---------------|--------------------|---------------|
| | Share holders | Number of Shares | Percentage |
| Individuals | 5,510 | 113,803,322 | 74.82 |
| Associated companies and directors | 13 | 29,318,919 | 19.28 |
| Joint stock companies | 47 | 1,643,615 | 1.08 |
| Insurance companies | 1 | 1,554 | 0.00 |
| Banks and DFIs | 7 | 6,600,512 | 4.34 |
| NBFCs | 5 | 84,684 | 0.06 |
| Public limited companies | 1 | 148 | 0.00 |
| Others | 5 | 645,590 | 0.42 |
| Total | 5,589 | 152,098,344 | 100.00 |

12.3 Pattern of shareholding of the Company as at June 30, 2018 was as follows:

| Category | Share holding | | |
|------------------------------------|---------------|--------------------|---------------|
| | Share holders | Number of shares | Percentage |
| Individuals | 5,749 | 113,689,879 | 74.75 |
| Associated companies and directors | 12 | 29,288,919 | 19.26 |
| Joint stock companies | 49 | 2,303,405 | 1.51 |
| Insurance companies | 1 | 1,554 | 0.00 |
| Banks and DFIs | 7 | 6,144,012 | 4.04 |
| NBFCs | 5 | 84,684 | 0.06 |
| Public limited companies | 3 | 10,301 | 0.01 |
| Others | 4 | 575,590 | 0.38 |
| Total | 5,830 | 152,098,344 | 100.00 |

| | 2019 | 2018 |
|---------------------------------------|------------------------------|-------------|
| | ----- (Rupees in '000) ----- | |
| 13. NET ASSETS VALUE PER SHARE | | |
| Total net assets | 1,239,677 | 1,512,969 |
| Total shares in issue | 152,098,344 | 152,098,344 |
| Net assets value per share - Rupees | 8.15 | 9.95 |

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2019 (2018: Nil)

15. GAIN ON SALE OF INVESTMENTS - NET

Listed equity securities classified as - 'financial assets at fair value through profit or loss' - net

| | |
|------------|-------|
| 114 | 3,562 |
|------------|-------|

16. SINDH SALES TAX ON REMUNERATION OF MANAGEMENT FEE

During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2018: 13%).

| | 2019 | 2018 |
|---|------------------------------|------|
| | ----- (Rupees in '000) ----- | |
| 17. AUDITORS' REMUNERATION | | |
| Annual audit fee | 210 | 210 |
| Half yearly review fee | 120 | 120 |
| Fee for review of statement of compliance with the code of corporate governance | 30 | 30 |
| | 360 | 360 |
| Sales tax | 29 | 29 |
| Out of pocket expenses | 40 | 41 |
| | 429 | 430 |

18. EXPENSE RATIO

The total expense ratio of the Company is 2.84% (2018: 2.92%) and this includes 0.38% (2018: 0.38%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% (2018: 4%) prescribed under the NBFC Regulations for a collective investment scheme categorized as a "Equity Scheme".

19. TAXATION

The income of the Company is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. Accordingly, the Company has not recorded provision for taxation as the management intends to distribute at least 90 percent of the Company's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its shareholders.

The Company is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss for the year, no distribution has been made by the Company accordingly, no provision for taxation has been recognised in these financial statements.

| | 2019 | 2018 |
|---------------------------------------|-------------------------------------|-------------|
| | ----- (Rupees in '000) ----- | |
| 20. EARNINGS PER SHARE - BASIC | | |
| Net loss after taxation | (273,292) | (210,821) |
| | ----- Number of shares ----- | |
| Number of Ordinary shares | 152,098,344 | 152,098,344 |
| | ----- (Rupees) ----- | |
| Loss Earnings per share - basic | (1.80) | (1.39) |

20.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2019 and 2018.

21. CASH AND CASH EQUIVALENTS

| | ----- (Rupees in '000) ----- | |
|---------------|------------------------------|--------|
| Bank balances | 54,762 | 55,070 |

22. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / Connected persons include AKD Investment Management Limited, being the Management, Company Central Depository Company of Pakistan Limited, being the custodian, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Company.

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

| | 2019 | 2018 |
|--|------------------------------|--------|
| | ----- (Rupees in '000) ----- | |
| 22.1 Transactions during the year | | |
| AKD Investment Management Limited - Management Company | | |
| Remuneration to Management Company | 28,239 | 32,882 |
| Final Cash dividend paid @ Nil i.e. Rs. Nil per share (June 30, 2017: @ 22% i.e. Rs.1.10 per share) | - | 26,271 |
| Expenses allocated by the Management Company | 1,412 | 1,644 |
| Sale of shares | 1,000 | - |

| | 2019 | 2018 |
|--|------------------------------|---------|
| | ----- (Rupees in '000) ----- | |
| Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund | | |
| Final Cash dividend paid @ Nil i.e. Rs. Nil per share (June 30, 2017: @ 22% i.e. Rs.1.10 per share) | - | 2,302 |
| AKD Securities Limited - Group Company | | |
| Brokerage | 40 | 110 |
| Final Cash dividend paid @ Nil i.e. Rs. Nil per share (June 30, 2017: @ 22% i.e. Rs.1.10 per share) | - | 3 |
| AKD Investment Management Limited - Staff Provident Fund | | |
| Final Cash dividend paid @ Nil i.e. Rs. Nil per share (June 30, 2017: @ 22% i.e. Rs.1.10 per share) | - | 312 |
| Directors of the Company | | |
| Final Cash dividend paid @ Nil i.e. Rs. Nil per share (June 30, 2017: @ 22% i.e. Rs.1.10 per share) | - | 3,329 |
| Purchase of shares | 1,150 | - |
| Central Depository Company of Pakistan Limited (Custodian) | | |
| Fee charged during the year (including transaction charges) | 1,269 | 1,272 |
| AKD Opportunity Fund (AKDOF) - Common Management Company | | |
| Shares sold by AKDOF | - | 18,300 |
| Shares purchased by AKDOF | - | 53,955 |
| AKD Islamic Stock Fund (AKDISSF) - Common Management Company | | |
| Shares purchased by AKDISSF | - | 9,375 |
| Prosperity Weaving Mills Limited | | |
| Dividend received during the year | 169 | 169 |
| Javedan Corporation Limited - Common Directorship | | |
| Dividend received during the year | 2,894 | 8,793 |
| Purchase of shares | - | 62,813 |
| Sales of shares | 531 | 101,730 |
| 22.2 Balances outstanding at year end | | |
| AKD Investment Management Limited - Management Company | | |
| Remuneration payable | 2,050 | 2,573 |
| Sindh Sales Tax on Management Remuneration | 266 | 334 |
| Federal Excise Duty on Management Remuneration | 16,592 | 16,592 |
| Expenses allocated by the Management Company | 102 | 403 |
| Others | 600 | 600 |
| Shares in issue (No. of shares: June 30, 2019: 23,682,895; June 30, 2018: 23,882,895) | 118,414 | 119,414 |

| | 2019 | 2018 |
|---|------------------------------|---------|
| | ----- (Rupees in '000) ----- | |
| Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund Shares in issue (No. of shares: June 30, 2019: 2,092,812; June 30, 2018: 2,092,812) | 10,464 | 10,464 |
| AKD Securities Limited - Group Company Shares in issue (No. of shares: June 30, 2019: 2,889; June 30, 2018: 2,889) | 14 | 14 |
| AKD Investment Management Limited - Staff Provident Fund Shares in issue (No. of shares: June 30, 2019: 284,046; June 30, 2018: 284,046) | 1,420 | 1,420 |
| Directors of the Company Shares of the Company held (No. of shares: June 30, 2019: 3,256,277; June 30, 2018: 3,026,277) | 16,281 | 15,131 |
| Central Depository Company of Pakistan Limited - Custodian Fee payable (including transaction charges) | 56 | 71 |
| Prosperity Weaving Mills Limited Shares held by the Company (No. of shares: June 30, 2019: 84,591; June 30, 2018: 84,591) | 2,876 | 2,199 |
| Javedan Corporation Limited - Common Directorship Shares held by the Company (No. of shares: June 30, 2019: 4,446,666; June 30, 2018: 4,133,950) | 142,338 | 147,995 |

23. FINANCIAL RISK MANAGEMENT

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Company are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's financial assets primarily comprise of balances with banks, investment in equity securities of listed companies classified at 'fair value through profit or loss'. The Company also has dividend, profit, deposits and other receivables. The Company's principal financial liabilities include remuneration payable to the Management Company, the Trustee and accrued and other liabilities.

23.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company manages market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: foreign currency risk, interest rate risk and equity price risk.

23.1.1 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, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees, which is the functional currency.

23.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2019, the Company is exposed to such risks on bank balances and investments listed equity securities that expose the Company to fair value interest rate risk.

a) Sensitivity analysis of variable rate instruments

Presently, the Company holds balances in savings bank accounts as at June 30, 2019, that could expose the Company to cash flow interest rate risk. The net loss for the year would have increased / (decreased) by Rs. 0.459 million (2018: Rs.0.462 million) had the interest rates on savings accounts with the banks increased / (decreased) by 100 basis points.

b) Sensitivity analysis of fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss - held for trading and available for sale. Therefore, a change in interest rates at the reporting date would not affect net loss for the year.

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 the settlement date.

| As at June 30, 2019 | | | | | | |
|--|---------------------------------------|--|--------------------|---|------------------|------------------|
| Yield / Effective interest rate / return | Exposed to Yield / interest rate risk | | | Not exposed to Yield / interest rate risk | Total | |
| | Upto three months | More than three months and upto one year | More than one year | | | |
| On-balance sheet financial instruments | (Rupees in '000) | | | | | |
| Financial assets | | | | | | |
| Bank balances | 4.75 to 10.5 | 45,905 | - | - | 8,857 | 54,762 |
| Investments | - | - | - | - | 1,285,172 | 1,285,172 |
| Dividend and profit receivable | - | - | - | - | 77 | 77 |
| Security deposits | | | | | 2,750 | 2,750 |
| | | 45,905 | - | - | 1,296,856 | 1,342,761 |
| Financial liabilities | | | | | | |
| Payable to Management Company | - | - | - | - | 2,752 | 2,752 |
| Accrued and other liabilities | - | - | - | - | 2,201 | 2,201 |
| Payable against purchase of Unclaimed dividend | - | - | - | - | 980 | 980 |
| | | | | | 51,702 | 51,702 |
| | | - | - | - | 57,635 | 57,635 |

| As at June 30, 2018 | | | | | |
|---|------------------------------|--|--------------------|---|-----------|
| Exposed to Yield / interest rate risk | | | | | |
| Yield / Effective interest rate / return | Upto three months | More than three months and upto one year | More than one year | Not exposed to Yield / interest rate risk | Total |
| % | ----- (Rupees in '000) ----- | | | | |
| On-balance sheet financial instruments | | | | | |
| Financial assets | | | | | |
| Bank balances | 4.5 to 6 | 46,179 | - | 8,891 | 55,070 |
| Investments | - | - | - | 1,556,648 | 1,556,648 |
| Dividend and profit receivable | - | - | - | 131 | 131 |
| Security deposit | - | - | - | 2,750 | 2,750 |
| | 46,179 | - | - | 1,568,420 | 1,614,599 |
| As at June 30, 2018 | | | | | |
| Exposed to Yield / interest rate risk | | | | | |
| Yield / Effective interest rate / return | Upto three months | More than three months and upto one year | More than one year | Not exposed to Yield / interest rate risk | Total |
| % | ----- (Rupees in '000) ----- | | | | |
| Financial liabilities | | | | | |
| Payable to Management Company | - | - | - | 3,576 | 3,576 |
| Accrued and other liabilities | - | - | - | 1,853 | 1,853 |
| Unclaimed dividend | - | - | - | 52,257 | 52,257 |
| | - | - | - | 57,686 | 57,686 |

23.1.3 Price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk), whether caused by factor specific to an individual investment, its issuer or factors affecting all instrument traded in the market.

The Company manages the risk by limiting exposure to any single investee Company to the extent of 10% of issued capital of that investee Company and the net assets of the Company with overall limit of 30% to a single industry sector of the net assets of the Company (the limits set by NBFC Regulations). The Company also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and atleast once a quarter from the aspect of allocation within industry and individual stock within that allocation.

At June 30, 2019, the fair value of equity securities exposed to price risk is disclosed in note 6.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 10% in the fair values of the Company's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equity securities at each statement of assets and liabilities date, with all other variables held constant.

| | 2019 | 2018 |
|--|------------------------------|----------------|
| | ----- (Rupees in '000) ----- | |
| Effect due to increase / decrease | | |
| Investment and net assets | <u>128,517</u> | <u>155,665</u> |
| Income statement | <u>128,517</u> | <u>155,665</u> |

23.2 Credit Risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Company is exposed to counter party credit risks on profit receivables, other receivables and balances with banks. The credit risk for the Company is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Company has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Company's maximum exposure to credit risk is the carrying amounts of following financial assets.

| | 2019 | | 2018 | |
|--------------------------------|--|---------------------|---|---------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure | Balance as per statement of assets and liabilities | Maximum exposure |
| | ----- (Rupees in '000) ----- | | | |
| Bank balances | 54,762 | 54,762 | 55,070 | 55,070 |
| Investments | 1,285,172 | 1,285,172 | 1,556,648 | 1,556,648 |
| Dividend and profit receivable | 77 | 77 | 131 | 131 |
| Security deposits | 2,750 | 2,750 | 2,750 | 2,750 |
| | <u>1,340,011</u> | <u>1,340,011</u> | <u>1,611,849</u> | <u>1,611,849</u> |

All deposits with NCCPL and CDC are highly rated and risk of default is considered minimal.

The analysis below summaries the credit rating quality of the Company's financial assets with banks as at June 30, 2019.

Bank balances by rating category

| | 2019 | | 2018 | |
|-----------|----------------|----------------|----------------|----------------|
| | Rupees in '000 | % | Rupees in '000 | % |
| AAA / A1+ | 2,916 | 5.32% | 2,916 | 5.30% |
| AA+ / A1+ | 18,210 | 33.25% | 17,997 | 32.68% |
| AA / A1+ | 17,691 | 32.31% | 17,801 | 32.32% |
| A / A1 | - | 0.00% | - | 0.00% |
| A+ / A1 | 566 | 1.03% | 567 | 1.03% |
| A- / A-1 | 15,379 | 28.08% | 15,789 | 28.67% |
| | <u>54,762</u> | <u>100.00%</u> | <u>55,070</u> | <u>100.00%</u> |

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formerly JCR-VIS Credit Rating Company Limited) as of June 30, 2019.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are impaired nor past due.

Advances and deposits

Deposits are placed with NCCPL and CDC for the purpose of affecting transactions and settlement of listed securities. It is expected that all advances and deposits with NCCPL and CDC will be clearly identified as being assets of the Company, hence, management believes that the Company is not materially exposed to a credit risk with respect to such advances and deposits.

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. The Company's portfolio of financial instruments is mainly concentrated in equity securities which are diversified and relate to various sectors. The Company's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Company mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

23.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company is not materially exposed to equity risk as all obligations / commitments are short term in nature and are restricted to the extent of available liquidity and the significant assets of the Company are readily disposable in the market.

The table below summarises the maturity profile of the Company's financial liabilities. The analyses into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

| | ----- As at June 30, 2019 ----- | | | | |
|---|---------------------------------|--------------------------------|-----------------------------------|---------------------------|----------------|
| | Within one Month | Over one to three months | Over three to twelve months | Over one to five years | Total |
| | ----- Rupees in '000 ----- | | | | |
| Financial liabilities | | | | | |
| Payable to AKD Investment Management Limited - Management Company | 3,018 | - | - | - | 3,018 |
| Accrued expenses and other liabilities | 47,712 | - | - | - | 47,712 |
| Payable against purchase of investment | 980 | - | - | - | 980 |
| Unclaimed dividend | 51,702 | - | - | - | 51,702 |
| | 103,412 | - | - | - | 103,412 |

| | As at June 30, 2018 | | | | |
|---|---------------------|--------------------------|-----------------------------|------------------------|---------|
| | Within one Month | Over one to three months | Over three to twelve months | Over one to five years | Total |
| | Rupees in '000 | | | | |
| Financial liabilities | | | | | |
| Payable to AKD Investment Management Limited - Management Company | 3,910 | - | - | - | 3,910 |
| Accrued expenses and other liabilities | 47,596 | - | - | - | 47,596 |
| Unclaimed dividend | 52,257 | - | - | - | 52,257 |
| | 103,763 | - | - | - | 103,763 |

24. CAPITAL RISK MANAGEMENT

The Company is a closed end fund. The Company has a limited number of shares subscribed at the Company's inception. However, further public offering may be made at the Company's discretion. The Company's shares are not redeemable directly with the Company; instead shares are traded on the stock exchange at a price that is either at a premium or discount to the shares net asset value. The Company is required by the NBFC Regulations to maintain a minimum equity of Rs. 250 million to be maintained at all time during the life of the scheme.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the NBFC Regulations the Company is required to distribute at least ninety percent of its income from sources other than unrealised capital gains as reduced by such expenses as are chargeable to the Company.

In order to maintain or adjust the capital structure, the Company may adjust dividend paid to shareholders or issue new shares.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- Level 1:** quoted prices in active markets for identical assets or liabilities;
- Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2019

| | Carrying amount | | | | Fair value | | | |
|---|-----------------------------------|---|----------------|------------------|------------------|----------|----------|------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost | Total | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Listed equity securities | 1,285,172 | - | - | 1,285,172 | 1,285,172 | - | - | 1,285,172 |
| | <u>1,285,172</u> | <u>-</u> | <u>-</u> | <u>1,285,172</u> | <u>1,285,172</u> | <u>-</u> | <u>-</u> | <u>1,285,172</u> |
| Financial assets not measured at fair value * | | | | | | | | |
| Bank balances | - | - | 54,762 | 54,762 | | | | |
| Dividend and profit receivable | - | - | 77 | 77 | | | | |
| Security deposits | - | - | 2,750 | 2,750 | | | | |
| | <u>-</u> | <u>-</u> | <u>54,839</u> | <u>54,839</u> | | | | |
| Financial liabilities not measured at fair value * | | | | | | | | |
| Payable to AKD Investment Management Limited - Management Company | - | - | 3,018 | 3,018 | | | | |
| Accrued expenses and other liabilities | - | - | 47,712 | 47,712 | | | | |
| Payable against purchase of investment | - | - | 980 | 980 | | | | |
| Unclaimed dividend | - | - | 51,702 | 51,702 | | | | |
| | <u>-</u> | <u>-</u> | <u>103,412</u> | <u>103,412</u> | | | | |

| | As at June 30, 2018 | | | | | | | |
|---|--|--------------------|---|------------------|------------------|----------|----------|------------------|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit or loss - held for trading | Available-for-sale | Loans and receivables / Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Listed equity securities | 1,556,648 | - | - | 1,556,648 | 1,556,648 | - | - | 1,556,648 |
| | <u>1,556,648</u> | <u>-</u> | <u>-</u> | <u>1,556,648</u> | <u>1,556,648</u> | <u>-</u> | <u>-</u> | <u>1,556,648</u> |
| Financial assets not measured at fair value * | | | | | | | | |
| Bank balances | - | - | 55,070 | 55,070 | | | | |
| Receivable against sale of investments | - | - | 1,826 | 1,826 | | | | |
| Dividend and profit receivable | - | - | 131 | 131 | | | | |
| Security deposits | | | 2,750 | 2,750 | | | | |
| | <u>-</u> | <u>-</u> | <u>57,027</u> | <u>57,027</u> | | | | |
| Financial liabilities not measured at fair value * | | | | | | | | |
| Payable to AKD Investment Management Limited - Management Company | - | - | 3,910 | 3,910 | | | | |
| Accrued expenses and other liabilities | - | - | 47,596 | 47,596 | | | | |
| Unclaimed dividend | - | - | 52,257 | 52,257 | | | | |
| | <u>-</u> | <u>-</u> | <u>103,763</u> | <u>103,763</u> | | | | |

During the year ended June 30, 2019, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

* The carrying value of these financial instruments approximates their fair value as on June 30, 2019.

26. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Golden Arrow Selected Stocks Fund Limited (GASSFL) are as follow:

| Name | Designation | Qualification | Experience in years |
|----------------------------|---|---------------|---------------------|
| Mr. Imran Motiwala | Chief Executive Officer - (GASSFL & AKDIML) | BBA | 25 |
| Ms. Anum Dhedhi | Chief Investment Officer | BSc | 8 |
| Mr. Muhammad Yaqoob | Chief Operating Officer, Company Secretary | MBA, CFA | 15 |
| Mr. Nadeem Saulat Siddiqui | Director Corporate Sales | MBA | 26 |
| Mr. Muhammad Taha Siddiqui | Risk Manager | ACCA | 4 |
| Mr. Bilal Shuja Zaidi | Porfolio Manager | B.S, CFA II | 1 |
| Mr. Danish Aslam | Investment Analyst | B.S, CFA I | 1 |
| Ms. Laraib Mohib | Fund Manager | BBA, CFA II | 5 |
| Mr. Ambrat Khemani | Head of Research | MBA, CFA | 4 |

26.1 Ms. Anum Dhedhi is the Manager of the Fund. AKD Opportunity Fund is also being managed by the Fund Manager.

27. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The Board meetings were held on September 25, 2018, October 27, 2018, February 19, 2019 and April 19, 2019. Information in respect of attendance by the Directors in the meetings is given below:

| Name of Director | Designation | Number of meetings | | |
|-----------------------------|-------------------------|--------------------|----------|---------------|
| | | Held | Attended | Leave granted |
| Mr. Javaid Bashir Sheikh | Chairman | 4 | 4 | - |
| Mr. Imran Motiwala | Chief Executive Officer | 4 | 4 | - |
| Ms. Anum Dhedhi | Director | 4 | 3 | 1 |
| Mr. Aurangzeb Ali Naqvi | Director | 4 | 3 | 1 |
| Mr. Abdul Karim Memon | Director | 4 | 4 | - |
| Mr. Muhammad Siddiq Khokhar | Director | 4 | 4 | - |
| Mr. Muzammil Abdul Karim | Director | 4 | 4 | - |

28. LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

For the year ended June 30, 2019

| Name of Broker | Percentage |
|--|------------|
| Fortune Securities Limited | 14.42% |
| Next Capital Limited | 9.95% |
| Sherman Securities Private Limited | 8.89% |
| Anees Ismail | 8.24% |
| AKD Securities Private Limited | 8.01% |
| Habib Metropolitan Financial Services Limited. | 7.56% |
| BMA Capital | 7.21% |
| DJM Securities Private Limited | 6.24% |
| Ghani Osman Securities (Private) Limited | 5.26% |
| Y.H.Securities (Private) Limited | 5.03% |

For the year ended June 30, 2018

| Name of Broker | Percentage |
|--|-------------------|
| AKD Securities Limited | 14.84% |
| DJM Securities (Private) Limited | 13.82% |
| Next Capital Limited | 10.76% |
| Investment Managers Securities (Private) Limited | 8.24% |
| A. I. Securities (Private) Limited | 7.40% |
| Habib Metropolitan Financial Services Limited | 6.49% |
| Creative Capital Securities (Private) Limited | 5.90% |
| Fortune Securities Limited | 5.73% |
| Summit Capital Limited | 4.28% |
| Ghani Osman Securities (Private) Limited | 3.66% |

29. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined the operating segments based on the reports reviewed by the Investment Committee, which are used to make strategic decisions.

The Investment Committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The Company trades in listed Pakistani equity securities with an objective to generate capital growth.

The internal reporting provided to the Investment Committee for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There are no reportable segments of the Company

The Company is domiciled in Pakistan. All of the Company's income is from investments in entities incorporated in Pakistan.

The Company has a highly diversified portfolio of investments and the Company does not hold any significant investment in any one investee company.

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on September 27, 2019.

31. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

32. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Aurangzeb Ali Naqvi
Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2019

| No. of Shareholders | Having Shares | | Shares Held | Percentage |
|---------------------|---------------|----------|--------------------|---------------|
| | From | To | | |
| 600 | 1 | 100 | 20,168 | 0.01 |
| 1,220 | 101 | 500 | 342,667 | 0.22 |
| 629 | 501 | 1000 | 526,560 | 0.35 |
| 1,466 | 1001 | 5000 | 3,932,428 | 2.59 |
| 515 | 5001 | 10000 | 4,077,870 | 2.68 |
| 253 | 10001 | 15000 | 3,157,029 | 2.08 |
| 157 | 15001 | 20000 | 2,774,805 | 1.82 |
| 137 | 20001 | 25000 | 3,202,452 | 2.11 |
| 65 | 25001 | 30000 | 1,843,889 | 1.21 |
| 91 | 30001 | 35000 | 2,010,891 | 1.32 |
| 54 | 35001 | 40000 | 2,051,578 | 1.35 |
| 31 | 40001 | 45000 | 1,335,453 | 0.88 |
| 56 | 45001 | 50000 | 2,760,900 | 1.82 |
| 18 | 50001 | 55000 | 953,749 | 0.63 |
| 25 | 55001 | 60000 | 1,443,472 | 0.95 |
| 22 | 60001 | 65000 | 1,395,173 | 0.92 |
| 13 | 65001 | 70000 | 892,911 | 0.59 |
| 14 | 70001 | 75000 | 1,036,126 | 0.68 |
| 10 | 75001 | 80000 | 782,692 | 0.51 |
| 6 | 80001 | 85000 | 497,965 | 0.33 |
| 7 | 85001 | 90000 | 794,625 | 0.52 |
| 24 | 90001 | 95000 | 646,464 | 0.43 |
| 8 | 95001 | 100000 | 2,392,000 | 1.57 |
| 11 | 100001 | 105000 | 814,341 | 0.54 |
| 4 | 105001 | 110000 | 1,200,215 | 0.79 |
| 9 | 110001 | 115000 | 447,500 | 0.29 |
| 4 | 115001 | 120000 | 469,354 | 0.31 |
| 2 | 120001 | 125000 | 1,114,056 | 0.73 |
| 2 | 125001 | 130000 | 509,679 | 0.34 |
| 9 | 130001 | 135000 | 265,756 | 0.17 |
| 3 | 135001 | 140000 | 1,253,000 | 0.82 |
| 4 | 140001 | 145000 | 431,500 | 0.28 |
| 6 | 145001 | 150000 | 592,038 | 0.39 |
| 3 | 150001 | 155000 | 919,282 | 0.60 |
| 1 | 160001 | 165000 | 808,325 | 0.53 |
| 4 | 165001 | 170000 | 503,000 | 0.33 |
| 1 | 170001 | 175000 | 172,000 | 0.11 |
| 1 | 175001 | 180000 | 709,500 | 0.47 |
| 1 | 180001 | 185000 | 183,000 | 0.12 |
| 3 | 185001 | 190000 | 189,934 | 0.12 |
| 9 | 190001 | 195000 | 577,000 | 0.38 |
| 5 | 195001 | 200000 | 1,797,781 | 1.18 |
| 2 | 205001 | 210000 | 1,045,224 | 0.69 |
| 2 | 210001 | 215000 | 215,000 | 0.14 |
| 4 | 220001 | 225000 | 443,000 | 0.29 |
| 2 | 225001 | 230000 | 909,630 | 0.60 |
| 2 | 235001 | 240000 | 477,500 | 0.31 |
| 1 | 240001 | 245000 | 242,000 | 0.16 |
| 7 | 245001 | 250000 | 1,741,272 | 1.14 |
| 3 | 250001 | 255000 | 251,000 | 0.17 |
| 1 | 255001 | 260000 | 773,789 | 0.51 |
| 1 | 270001 | 275000 | 773,000 | 0.51 |
| 1 | 280001 | 285000 | 284,046 | 0.19 |
| 1 | 285001 | 290000 | 289,500 | 0.19 |
| 8 | 290001 | 295000 | 290,986 | 0.19 |
| 1 | 295001 | 300000 | 2,400,000 | 1.58 |
| 1 | 300001 | 305000 | 305,000 | 0.20 |
| 2 | 305001 | 310000 | 310,000 | 0.20 |
| 1 | 325001 | 330000 | 658,000 | 0.43 |
| 1 | 330001 | 335000 | 331,500 | 0.22 |
| 1 | 340001 | 345000 | 341,500 | 0.22 |
| 2 | 345001 | 350000 | 695,250 | 0.46 |
| 1 | 360001 | 365000 | 343,500 | 0.24 |
| 1 | 365001 | 370000 | 369,500 | 0.24 |
| 2 | 385001 | 390000 | 776,000 | 0.51 |
| 3 | 395001 | 400000 | 1,200,000 | 0.79 |
| 2 | 400001 | 405000 | 805,101 | 0.53 |
| 1 | 405001 | 410000 | 410,000 | 0.27 |
| 1 | 410001 | 415000 | 412,000 | 0.27 |
| 1 | 425001 | 430000 | 427,250 | 0.28 |
| 1 | 430001 | 435000 | 435,000 | 0.29 |
| 3 | 445001 | 450000 | 446,062 | 0.29 |
| 1 | 455001 | 460000 | 1,376,870 | 0.91 |
| 1 | 470001 | 475000 | 473,000 | 0.31 |
| 1 | 480001 | 485000 | 483,000 | 0.32 |
| 1 | 485001 | 490000 | 486,500 | 0.32 |
| 2 | 490001 | 495000 | 494,844 | 0.33 |
| 1 | 495001 | 500000 | 1,000,000 | 0.66 |
| 1 | 530001 | 535000 | 530,023 | 0.35 |
| 1 | 545001 | 550000 | 550,000 | 0.36 |
| 1 | 565001 | 570000 | 566,500 | 0.37 |
| 3 | 570001 | 575000 | 572,500 | 0.38 |
| 1 | 595001 | 600000 | 1,800,000 | 1.18 |
| 3 | 615001 | 620000 | 616,500 | 0.41 |
| 1 | 625001 | 630000 | 1,889,500 | 1.24 |
| 1 | 630001 | 635000 | 631,187 | 0.41 |
| 1 | 655001 | 660000 | 659,000 | 0.43 |
| 1 | 665001 | 670000 | 668,500 | 0.44 |
| 1 | 670001 | 675000 | 671,500 | 0.44 |
| 1 | 675001 | 680000 | 676,084 | 0.44 |
| 1 | 705001 | 710000 | 706,403 | 0.46 |
| 2 | 715001 | 720000 | 720,000 | 0.47 |
| 1 | 795001 | 800000 | 1,586,000 | 1.05 |
| 1 | 850001 | 855000 | 852,500 | 0.56 |
| 1 | 860001 | 865000 | 864,000 | 0.57 |
| 1 | 900001 | 905000 | 900,250 | 0.59 |
| 1 | 915001 | 920000 | 919,500 | 0.60 |
| 1 | 975001 | 980000 | 980,000 | 0.64 |
| 1 | 1060001 | 1065000 | 1,060,811 | 0.70 |
| 1 | 1080001 | 1085000 | 1,082,812 | 0.71 |
| 1 | 1095001 | 1100000 | 1,100,000 | 0.72 |
| 1 | 1115001 | 1120000 | 1,119,000 | 0.74 |
| 1 | 1175001 | 1180000 | 1,179,000 | 0.78 |
| 1 | 1195001 | 1200000 | 1,200,000 | 0.79 |
| 1 | 1295001 | 1300000 | 1,300,000 | 0.85 |
| 1 | 3950001 | 4000000 | 1,400,000 | 0.92 |
| 1 | 1495001 | 1500000 | 1,500,000 | 0.99 |
| 1 | 1510001 | 1515000 | 1,512,500 | 0.99 |
| 1 | 1695001 | 1700000 | 1,695,500 | 1.11 |
| 1 | 2065001 | 2070000 | 2,066,000 | 1.36 |
| 1 | 2090001 | 2095000 | 2,092,812 | 1.38 |
| 1 | 2580001 | 2585000 | 2,581,501 | 1.70 |
| 1 | 3005001 | 3010000 | 3,010,000 | 1.98 |
| 1 | 6245001 | 6250000 | 6,250,000 | 4.11 |
| 1 | 6825001 | 6830000 | 6,830,000 | 4.50 |
| 1 | 23680001 | 23685000 | 23,682,895 | 15.57 |
| 5,589 | | | 152,098,344 | 100.00 |

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2019

| Category | Share holding | | |
|-----------------------|---------------|--------------------|---------------|
| | Share holders | Number of Shares | Percentage |
| INDIVIDUALS | 5,510 | 113,803,322 | 74.82 |
| JOINT STOCK COMPANIES | 47 | 1,643,615 | 1.08 |
| INSURANCE COMPANIES | 1 | 1,554 | 0.00 |
| BANK/DFIs | 7 | 6,600,512 | 4.34 |
| NBFC | 5 | 84,684 | 0.06 |
| FOREIGN COMPAINIES | | | |
| ASSOCIATE & DIRECTORS | 13 | 29,318,919 | 19.28 |
| PUBLIC LTD COMPANIES | 1 | 148 | 0.00 |
| OTHERS | 5 | 645,590 | 0.42 |
| Total | 5,589 | 152,098,344 | 100.00 |

DETAILS OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2019

| PARTICULARS | SHARES HELD | PERCENTAGE |
|---|--------------------|-------------------|
| ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES | | |
| AKD Investment Management Limited | 23,682,895 | 15.57 |
| AKD Securities Limited | 2,889 | 0.00 |
| AKD Investment Management Limited Staff Provident Fund | 284,046 | 0.19 |
| Aqeel Karim Dhedhi Securities (Pvt.) Limited Staff Provident Fund | 2,092,812 | 1.38 |
| DIRECTORS, CHIEF EXECUTIVE & THEIR SPOUSE AND MINOR CHILDREN | | |
| Mr. Javed Bashir Sheikh (Chairman) | 10,000 | 0.01 |
| Mr. Imran Motiwala (CEO) | 231,000 | 0.15 |
| Mr. Abdul Karim (Director) | 3,010,000 | 1.98 |
| Ms. Anum Dhedhi (Director) | 1,000 | 0.00 |
| Mr. Muhammad Siddiq Khokhar (Director) | 2,777 | 0.00 |
| Mr. Muzammil Abdul Karim (Director) | 1,500 | 0.00 |
| PUBLIC LIMITED COMPANIES | 148 | 0.00 |
| BANKS, DEVELOPMENT FINANCE INSTITUTIONS | | |
| NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES | | |
| MODARABA AND MUTUAL FUNDS | 8,330,365 | 5.48 |
| INDIVIDUALS | 113,803,322 | 74.82 |
| OTHERS | 645,590 | 0.42 |
| TOTAL | | 100.00 |

PROXY DETAILS ISSUED

FOR THE YEAR ENDED JUNE 30, 2019

As per the requirement of Non-Banking Finance Companies and Notified Entities Regulations, 2008, The Board of Directors of AKD Investment Management Limited (the Management Company) has formulated Proxy Voting Policy, which is available on Management Company's website (www.akdinvestment.com).

During the year Golden Arrow Selected Stocks Fund participated in 7 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

| | Resolutions | For | Against | Abstain | Reason for Abstaining |
|----------------|-------------|-----------|----------|----------|--|
| Number | 19 | 12 | 7 | 0 | Did not consider it beneficial for the shareholders |
| (%ages) | 100 | 12 | 7 | 0 | - |

Detailed information regarding actual proxies voted by Golden Arrow Selected Stocks Fund will be provided to the unit holders without any charges upon request.

SIX YEARS KEY FINANCIAL DATA AT A GLANCE

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| | ----- (Rupees '000)' ----- | | | | | |
| Total Income/(Loss) | 809,134 | 634,899 | 213,844 | 926,189 | (161,450) | (233,253) |
| Operating Profit/ Net Income / (Loss) | 734,748 | 564,823 | 159,632 | 838,410 | (210,821) | (273,292) |
| Cash Dividend (Rupees) | 4.30 | 3.45 | 1.05 | 4.40 | - | - |
| Cash Dividend % | 86.00 | 69.00 | 21.00 | 88.00 | - | - |
| Stock Dividend (Rupees) | - | - | - | - | - | - |
| Stock Dividend % | - | - | - | - | - | - |
| Paid up Share Capital | 760,492 | 760,492 | 760,492 | 760,492 | 760,492 | 760,492 |
| Reserves and Unappropriated Profit | 905,705 | 983,814 | 953,323 | 1,130,106 | 751,977 | 478,685 |
| Net Assets | 1,666,697 | 1,744,806 | 1,714,315 | 1,891,098 | 1,512,969 | 1,239,677 |
| Earnings per Share (Rupees) | 4.83 | 3.71 | 1.05 | 5.51 | (1.39) | (1.80) |
| Break up Value per share(Rupees) | 10.96 | 11.47 | 11.27 | 12.43 | 9.95 | 8.15 |
| Ratio of: | | | | | | |
| Operating profit to Income | 0.91 | 0.89 | 0.75 | 0.91 | 1.31 | 1.17 |
| Return / (Loss) on Net assets Employed | 0.44 | 0.32 | 0.09 | 0.44 | (0.14) | (0.22) |

PERFORMANCE TABLE
PERFORMANCE TABLE

| | 2019 | 2018 | 2017 |
|--|----------------------------|-----------|-----------|
| | ----- Rupees in '000'----- | | |
| Total net assets value | 1,239,677 | 1,512,969 | 1,891,098 |
| Net assets value per share - Rupees | 8.15 | 9.95 | 12.43 |
| Net Income / (loss) for the year carried | (273,292) | (210,821) | 838,410 |
| Return of fund | | | |
| Income distribution | - | - | 669,232 |
| Accumulated capital growth | 3,102,379 | 3,375,671 | 3,586,492 |
| Distribution per share | | | |
| Annual - Rupees | - | - | 1.10 |
| Interim - Rupees | - | - | 1.10 |
| Interim - Rupees | - | - | 1.10 |
| Interim - Rupees | - | - | 1.10 |
| Average annual return | ----- Percentage----- | | |
| One Year | -18.06% | -11.17% | 49.86% |
| Two Year | -14.62% | 19.35% | 29.73% |
| Three Year | 6.88% | 16.10% | 33.08% |

STATEMENT OF INCOME AND EXPENDITURE
**OF THE MANAGEMENT COMPANY IN RELATION TO THE INVESTMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2019**
2019

Rupees in '000'

INCOME

 Remuneration from Golden Arrow Selected Stocks Fund Limited
Dividend income

28,239

-

28,239
OPERATING EXPENSES

 Salaries, allowances and other benefits
Office rent
MUFAP subscription
Fees and subscription
Printing and stationery
Vehicle running and maintenance
Travelling and conveyance
Repairs and maintenance
Share registrar fee
Legal and professional charges
Credit rating fee
Directors' meeting attendance fee
SECP license fee
Utilities
Communication
Postage and courier
Depreciation
Amortisation of computer software
Insurance
Sales load / commission
Auditors' remuneration
Consultancy Charges
Computer expenses
Entertainment / Office Supplies
Advertisement
Management fee sharing
Loss on disposal of fixed assets
Donation
Miscellaneous

23,099

764

-

-

338

1,056

215

497

-

1,516

-

-

-

717

448

-

4,608

-

429

-

127

-

1,394

842

-

-

-

281

36,331
NET PROFIT FOR THE YEAR
(8,092)

Note: Other revenue and expenses not relating to Investment Company has not been included in the above statement.

ڈائریکٹرز کی رپورٹ

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ (GASSFL) کے بورڈ آف ڈائریکٹرز 30 جون 2019 کو اختتام پذیر مالی سال کی محتسب شدہ مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈ کی مالیاتی کارکردگی

مالی سال-19 کے لیے گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ کی آمدنی منفی 18.06 فیصد تھی اس کے مقابلے میں KSE-100 انڈیکس کی آمدنی منفی 19.11 فیصد تھی۔

وسیع پس منظر

پی ٹی آئی کی حکومت کم ہوتے ہوئے غیر ملکی زرمبادلہ کے ذخائر کے تحفظ کے لیے سخت اقدامات لیے جس کے لیے درآمدات میں کمی کی گئی تاکہ مالیاتی سال 2019 کی بجاری کھاتے کا خسارے میں کمی آئے۔ تاہم مجموعی قومی پیداوار (GDP) نمو کے مہم امکانات (بینک دولت پاکستان کا مالیاتی سال 2019 کے لیے مجموعی قومی پیداوار 3.33 فیصد تخمینہ جبکہ گذشتہ سال اسی مدت کے دوران 5.5 فیصد)، بدتر ہوتا ہوا مالیاتی خسارہ، انضباطی مسائل کے بارے میں سیاہ دھن کو سفید کرنے کے عمل کی نگرانی کرنے والے عالمی ادارے (FATF) کی جانب سے جانچ پڑتال اور IMF کے بچاؤ کے پروگرام کے فیصلہ کرنے میں تاخیر نے معیشت کو دباؤ میں رکھا۔

مالیاتی سال 2019 میں جاری کھاتے کا خسارہ گذشتہ سال کے اسی مدت میں 19.8 ارب امریکی ڈالر (مجموعی قومی پیداوار کا 6.33 فیصد) کے مقابلے میں 13.6 ارب امریکی ڈالر (مجموعی قومی پیداوار کا 4.88 فیصد) رہا جو سال بہ سال کی بنیاد پر 32 فیصد کمی ظاہر کر رہی ہے۔ یہ بہتر کارکردگی سال بہ سال کی بنیاد پر ایشیاء¹ کی درآمدات میں 56.59 ارب امریکی ڈالر میں 7 فیصد کمی کی وجہ سے 52.38 ارب امریکی ڈالر رہیں اور اس کیساتھ ترسیل زر میں سال بہ سال کی بنیاد پر 10 فیصد اضافے کے ساتھ 21.84 ارب امریکی ڈالر رہی۔ تاہم، ایشیاء¹ کے برآمدات میں متوقع اضافہ ناہوسکا اور گذشتہ سال اسی مدت کے 24.77 ارب امریکی ڈالر کے مقابلے میں اس سال 24.4 ارب امریکی ڈالر رہیں جو تقریباً سپاٹ رہیں جبکہ غیر ملکی زرمبادلہ کے ذخائر پر قرضہ جات کی ادائیگی کا بوجھ 14.48 ارب امریکی ڈالر رہا۔

مالیاتی محاذ پر فیڈرل بیورو آف ریونیو (FBR) مالیاتی سال 2019 میں 3.828 ٹریلین روپے جمع کر سکا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 3.842 ٹریلین تھی۔ ٹیکسوں کی وصولی 4.398 ٹریلین روپے کے نظر ثانی شدہ ہدف حاصل کرنے میں ناکام رہا جس کی وجہ سے حکومت کے ترقیاتی منصوبوں پر عملدرآمد اور اخراجات کے سلسلے میں مشکل پیش آرہی ہے۔ علاوہ ازیں مالیاتی سال 2010 کے لیے گورنمنٹ نے موجودہ معاشی سست روی کے پس منظر میں 5.55 ٹریلین روپے ریونیو کی وصولی کا جرات مندانہ ہدف رکھا ہے

پاکستان کیشماریات کے بیورو کے مطابق مالیاتی سال 2019 کے لئے صارف کی قیمتوں کا انڈیکس (CPI)، سال بہ سال کی بنیاد پر 7.34 فیصد کا اندراج کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں 3.92 فیصد تھا۔ مرکزی CPI میں سے غذا اور توانائی کی اشیاء کا نکال کر اس کی قدر خطرے کی گھنٹی بجاتی ہوئی 8.24 فیصد رہی جبکہ گذشتہ سال اسی مدت میں یہ 5.44 فیصد تھی۔ علاوہ ازیں، بینک دولت پاکستان (SBP) کی 6 فیصد کے سالانہ ہدف، سال بہ سال کی بنیاد پر مالیاتی سال 2019 کے لیے CPI کا نظر ثانی شدہ ہدف 6.5-7.5 فیصد کے درمیان رکھا۔ یہ نظر ثانی تیل کی عالمی بڑھی ہوئی قیمتیں، حالیہ پاکستانی روپے کی فرسودگی اور بجلی اور گیس کے نرخوں میں اضافوں کے پس منظر میں کیا تھا۔ اس لیے متوقع بلند تر افراط زر کے ساتھ بڑھتا ہوا جزواں خسارے کی وجہ سے SBP نے مالیاتی سال 2019 کے دوران پالیسی نرخ بڑھا کر 12.25 فیصد کر دیا۔ مالیاتی سال 2019 کے اقتصادی سروے کے مطابق، زرعی شعبے کی کارکردگی کم رہی اور اپنے 3.94 فیصد کے تخمینہ شدہ ہدف حاصل نہ کر سکا اور صرف 0.85 فیصد اضافے کا اندراج دکھایا۔ اس کی وجہ موجودہ پانی کی قلت اور کھاد کی بلند قیمتوں کی وجہ سے اس کی خریداری میں کمی ہوئی جس نے زرعی پیداوار میں رکاوٹ ڈالی۔ اسی طرح سے، خدمات کے ساتھ پیداواری شعبوں کی سست روی کی وجہ سے SBP کو مالی سال 20 کے لیے اپنی حقیقی مجموعی قومی پیداوار کی نمو کا کم ہوتا ہوا نظر ثانی ہدف کو تقریباً 3.5 فیصد کر دیا ہے۔

بڑے پیمانے کے پیداواری صنعتی شعبہ جو کل صنعتی پیداوار کا 70 فیصد اور مجموعی قومی پیداوار کا 10.2 فیصد ہے، میں مالیاتی سال 2019 کے 11 ماہ (جولائی تا مئی) میں 3.50 فیصد کمی دکھائی۔ مئی 18 کے مقابلے میں مئی 19 زیادہ تر شعبے جس میں بڑی تعداد میں LSM پر مشتمل ہے اس نے کمی کا اندراج کیا۔ مینے میں نمایاں کم کارکردگی دکھانے والوں میں شامل ہیں گاڑیاں (سال بہ سال منفی 11.78 فیصد)، کوک اور خام تیل کی مصنوعات (سال بہ سال منفی 8.35 فیصد)، خوراک، مشروبات اور تمباکو (سال بہ سال منفی 7.28 فیصد) اور آئرن اور اسٹیل کی مصنوعات (سال بہ سال منفی 11.21 فیصد)۔ جبکہ دوسری جانب اسی ماہ میں کھاد (سال بہ سال مثبت 7.68 فیصد) اور الیکٹرانکس (سال بہ سال مثبت 12.53 فیصد) نے خاصی نمو دکھائی

مزید یہ کہ مالیاتی سال 2019 میں پاکستان 1.66 ارب امریکی ڈالر کی براہ راست غیر ملکی سرمایہ کاری لاکھوں کے ساتھ گذشتہ سال اسی مدت کی سرمایہ کاری کے مقابلے میں منفی 51.98 فیصد کم تھی۔ یہ بہت زیادہ کمی کی اصل وجہ شرح مبادلہ کی غیر یقینی صورتحال، IMF کے پروگرام کی تکمیل میں تاخیر، ملک کی زود پذیری کے بیرونی اور مالیاتی صورتحال، دسمبر 2018 میں فٹچ (Fitch) کی جانب سے پاکستان کی کریڈٹ درجہ بندی میں گراؤ اور سرمایہ کاروں کے اعتماد میں کمی جیسے عوامل ہیں۔ دوسری جانب مالیاتی سال 2019 میں کیمیکل، مشروبات اور گاڑیوں کے شعبہ جات پر سرمایہ کاروں کی نظر ہے۔

ہمارے خیال میں، مالیاتی سال 2019 میں امریکی ڈالر کے مقابلے روپے کی قدر میں 34 فیصد کمی، متعدد درآمدی اشیاء کا پرانضباطی دیویٹیز کا نفاذ اور دوست ممالک کی جانب سے مالی معاونت کے لیے فراہم کردہ رقم سے بیرونی خسارہ کے مد میں کچھ سہولت ہوگی۔ آئیوا لے دنوں میں، ہمارا خیال

ہے کہ CPEC کی سرمایہ کاری پاکستان میں سرمایہ کاری لانے میں انتہائی اہم کردار ادا کرتی رہے گی اور کرنسی کو مستحکم کرے گی تاکہ درآمدی پیداوار میں بہتری ہو۔ موجودہ گورنمنٹ کا معاشی پالیسیوں اور اصلاحات کے بارے میں مجموعی واضح موقف، ملک کی بڑے پیمانے کی کارکردگی کے تعین کنندہ ہوں گے۔

ملکیتی سرمائے (Equity) کی منڈی کا جائزہ

مالیاتی سال 2019 کے دوران KSE-100 انڈیکس میں 19 فیصد کمی ظاہر کی اور جون 2019 کے اختتام پر 33,901.58 پوائنٹس پر بند ہوا۔ سرمایہ کاروں کے اعتماد میں کمی، کمزور معاشی صورتحال (ادائیگی کے توازن کا بحران، کرنسی کی قدر میں کمی اور بڑھتا ہوا مالیاتی خسارہ)، احتساب کی مہم، انضباطی سختی اور اس مدت میں غیر ملکی سرمایہ کاروں کی فروخت (FPI نے 415 ملین امریکی ڈالر کی خالص فروخت ہوئی) دوسری جانب، تجارت کا، سال بہ سال کی بنیاد پر، گزشتہ سال کی اسی مدت کے 84 ملین کچھس کے لین دین کیا وسط حجم کے مقابلے میں یہ اوسط تقریباً 96 ملین حصص رہا۔

افراطی دباؤ موجود اور جاری ہے، بنیادی طور پر اس کی وجہ خوراک، گھروں کی تعمیرات اور زررائع نقل و حمل کے انڈیکس ہیں، جس نے، مالیاتی سال 2019 میں، بینک دولت پاکستان کو مجبور کیا کہ پالیسی کے نرخ میں 475 پیسے پوائنٹس کے اضافے سے 12.25 فیصد کر دیا۔ اس عمل نے سرمایہ کاروں کو ترغیب دی کہ زیادہ منافع کے لیے وہ اپنے پورٹ فولیوز کو ملکیتی سرمایہ سے غیر چکدار (fixed) آمدنی کی دستاویزات (ٹی بلز، قومی بچت کی اسکیمیں، پی آئی بیز اور بینک ڈپازٹس وغیرہ) سے ہم آہنگ کرے۔

آنے والے دنوں میں، ایک متوقع عالمی تیل کی قیمتوں میں اضافہ، تیل کے سیکٹر کو فائدہ پہنچائے گا اور اس طرح سے تیل کی تلاش اور پیداوار کے سیکٹر کے منافو میں بہتری آئے گی (جس کا انڈیکس میں تقریباً 14.42 فیصد حصہ ہے)۔ دوسری جانب، بڑھتے ہوئے سودی نرخ بینکاری کے سیکٹر کی معاونت کرے گا (جس کا انڈیکس میں تقریباً 27.58 فیصد حصہ ہے) تاکہ وہ دوبارہ قوت حاصل کر سکے، خاص طور پر ان کے لیے جو بلند جاری کھاتے کا حصہ اور کم پی آئی بی کی بنیاد کے لیے۔

تاہم، سرمایہ کاروں کے اعتماد کی دوبارہ بحالی سے پیدا ہونے والی بہتر ہونے والی سیالیت اب بھی منڈی کے لیے ایک بڑا محرک ہوگا۔ علاوہ ازیں، معیشت کے بڑے اشارے، IMF پروگرام کے قابل حصول نتائج اور FATF کی جانب سے صفائی کا عمل سے زیادہ واضح ہوں گے اور امکانی طور پر منڈی کے احساسات کی بحالی ہوگی۔ تاہم پاک۔ بھارت تناؤ ہو سکتا ہے منڈی میں بے چینی پیدا کرے۔

قدر کی مد میں، KSE-100 انڈیکس فی الوقت پر کشش 5.5x کے حاصل ضرب 58 فیصد رعایت (discount) پر متعدد لین دین کر رہا ہے

اس کے مقابلے میں ابھرتی ہوئی منڈیوں (x13.25 کے حاصل ضرب) سرمایہ کاروں کو امکانی اوپری سطح پیش کر رہا ہے۔

پیسہ کی منڈی کا جائزہ

مالیاتی سال 2019 کے دوران SBP نے چھبیس ٹی۔ بلز کی نیلامی کی جس سے گورنمنٹ نے کامیابی سے 18.46 کھرب روپے کا اضافہ کیا۔ 3 ماہ اور 6 ماہ کی مدت کے لیبورزنی اوسط منافع (yield) بالترتیب 9.73 فیصد اور 10.23 فیصد رہا اور اس کے مقابلے گذشتہ سال اسی مدت یہ 6.13 فیصد اور 6.13 فیصد تھیں۔ اس مدت میں 12 ماہ کے ٹی بل کی نیلامی نہیں ہوئی۔

سیالیت کی ضرورت کے مزید سدباب کے لیے، SBP بارہ پاکستان سرمایہ کاری بونڈز (PIBs) کی نیلامیاں کیں اور مالی سال 19- میں کامیابی سے 871.73 ارب روپے کا اضافہ کیا۔ منافع نے اضافے کا رجحان برقرار رکھا جیسا کہ 3 سال، 5 سال اور 10 سال کی تکمیلی وزنی اوسط کا منافع بڑھ کر بالترتیب 9.98 فیصد، 8.10 فیصد اور 10.94 فیصد ہو گئے جبکہ اس کی مقابلے گذشتہ سال اسی مدت میں یہ 6.57 فیصد، 7.14 فیصد اور 8.06 فیصد تھی۔

مالیاتی سال 2019 میں گورنمنٹ مالیاتی پالیسی بیان کا اعلان کیا، جس میں اس میں اس نے پالیسی نرخ میں مجموعی طور پر 475 بیس پوائنٹس کا اضافہ کیا اور اس طرح سے پالیسی نرخ 12.25 فیصد ہو گیا۔ SBP کینیڈا کی کلینڈر کے مطابق، وہ 3 تا 20 سال کی مدت کے پاکستان سرمایہ کاری بونڈز (PIBs) کے اجراء سے 300 ارب روپے حاصل کرے گا اور 3 تا 12 ماہ کی مدت کے ٹی بلز کے اجراء کے ذریعے سے 6.4 کھرب روپے حاصل کرے گا تاکہ 6.46 کھرب روپے کے قرضہ جات کی ادائیگی کی جاسکے۔ اس کے علاوہ SBP 10 سال کے فلوٹنگ PIBs کی نیلامی کے ذریعے سے مزید 300 ارب روپے حاصل کرے گا۔

مستقبل کا منظر نامہ

مالیاتی سال 2019 میں نئی گورنمنٹ کے لیے جانے والے حالیہ اقدامات کو مدنظر رکھتے ہوئے توقع ہے کہ سال 20 میں معیشت بتدریج استحکام کی جانب جائے گی۔ جیسا کہ جاری کھاتے کا خسارے (CAD) کی صورتحال نسبتاً سہل ہوئی ہے، اور توجہ IMF کیپٹل کے مطابق بہتر محصول کی وصولی اور کاروبار کو دستاویزی کرنے کے ذریعے سے مالیاتی نظم و ضبط کرنے پر رہے گی۔ تاہم، ایسا کرنے میں، سخت محصول اور انضباطی نظام کے سبب کاروباری طبقے اور عوام کی جانب سے مزاحمت کے پس منظر میں مشکلات کا سامنا رہے گا۔ ہو سکتا ہے کہ سیاسی صورتحال مشکلات پیدا کریں جس کی وجہ غیر مقبول اقدامات اور حالیہ جاری جارحانہ احتساب کی مہم ہو سکتی ہیں۔ علاوہ ازیں، اگر بھارت کے ساتھ تناؤ کا اہال برقرار رہتا ہے، وہ منڈی میں سرمایہ کار کے جذبے پر اس ڈال دے گا اور غیر یقینی پیدا کرے گا۔

آگے بڑھتے ہوئے، کم لاگت کی متبادل توانائی کی پیداوار، کرنسی کی قدر میں کمی (مالیاتی سال 2019 میں 15.66 فیصد) برآمدات کرنے والی صنعتوں کو فراہم کردہ ترغیبات (کم کی گئی دیویٹیز اور ریٹینس) اور سعودی عرب کی جانب سے تیل کی قیمت کی موخر شدہ ادائیگی (6 ارب امریکی ڈالر تک) سے توقع ہے کہ بیرونی کھاتے کی صورتحال میں بہتری آئے گی۔ علاوہ ازیں، رمضان اور عید کے موسمی اثرات کی وجہ کے ساتھ ساتھ کمزور ہوتی ہوئی کرنسی کے پس منظر میں ترسیل زر میں اضافہ ہوگا اور یہ عمل بیمار ہوتی ہوئی معیشت کی معاونت کرے گا۔ مزید یہ کہ سیاہ دھن کو سفید کرنے اور "حوالہ ہنڈی نظام" کو لگام دینے کے لیے کئے جانے والے اقدامات کے سبب رقوم کی باضابطہ ذرائع سے آئیں گی۔

ہمارا خیال ہے کہ ملکیتی سرمایہ کی خاصی حد تک واپسی کی وجہ اس وقت پرکشش قدر (KSE-100 انڈیکس کا لین دین پرکشش $5.5 \times E/P$) ہے۔ جیسے جیسے معیشت استحکام کی جانب بڑھے گی سرمایہ کاروں کا اعتماد سطح اور غیر ملکی شراکت اس سلسلے میں اہم کردار ادا کریں گے۔

غیر لچکدار آمدنی کے سلسلے میں سودی شرح میں اضافہ معیشت کی رفتار میں کمی کا سبب ہوگا۔ ملکیتی سرمایہ کی منڈی کو سرمایہ کاروں کو پھسلانہ ہوگا تاکہ وہ دیگر اثاثہ کے درجات (پاکستان سرمایہ کاری بونڈز، آمدنی فنڈز، قومی بچت سرٹیفکیٹ اور بینک ڈپازٹس) سے مسابقت کر سکے جنہوں نے پرکشش منافع پیش کرنا شروع کر دیا ہے۔

اداراتی اور مالیاتی رپورٹنگ ڈھانچے کا بیان

(a) کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے فنڈز کے معاملات کی صورتحال، عملی امور کے نتائج، کیش فلو اور فنڈز کی اکائی رکھنے والوں کی نقل و حرکت بہتر طور پر پیش کرتے ہیں۔

(b) کمپنی نے موزوں کھاتوں کی کتابیں (Accounts of Books) قائم رکھی ہوئی ہیں۔

(c) مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب عملی یکساں طور پر اپنائی گئی ہے اور اکاؤنٹنگ تخمینوں کی بنیاد معقول اور محتاط پر رکھی ہے۔

(d) پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیار پر عمل کرتے ہوئے مالیاتی دستاویزات تیار کئے گئے ہیں اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔

(e) اندرونی کنٹرول کا نظام کا ڈیزائن مضبوط ہے اور اسکی موثر نفاذ اور نگرانی کی گئی ہے۔

(f) کمپنی کی ایک جاری رہنے والے ادارے کے طور پر چلتے رہنے میں کوئی شبہ نہیں ہے۔

(g) لسٹنگ ضوابط میں اداراتی نظم و ضبط کی دی گئی تفصیلات کی بہترین مشقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

(h) محصولات، ڈیویڈنڈ، لیویز اور اخراجات، اگر کوئی ہے تو، کی مدد میں دستوری ادائیگیوں کے بقایا جات کو مالیاتی دستاویزات میں پوری طرح ظاہر کیا گیا ہے۔

(i) ڈائریکٹرز کی بورڈ آف ڈائریکٹرز کے اجلاس اور آڈٹ کمیٹی کے اجلاس میں حاضری کا بیان درج ذیل ہے۔

| رخصت منظور ہوئی | شرکت کیس | اجلاس کی تعداد منعقد ہوئیں | ڈائریکٹر کا نام |
|-----------------|----------|-------------------------------|--------------------------|
| 0 | 4 | 4 | 1 جناب جاوید بشیر شیخ |
| 0 | 4 | 4 | 2 جناب عمران موقی والا |
| 1 | 3 | 4 | 3 محترمہ انعم ڈھیڈی |
| 1 | 3 | 4 | 4 جناب اورنگزیب علی نقوی |
| 0 | 4 | 4 | 5 جناب محمد صدیق کھوکھر |
| 0 | 4 | 4 | 6 جناب عبدال کریم |
| 0 | 4 | 4 | 7 جناب مزمل عبدالکریم |

| رخصت منظور ہوئی | شرکت کیس | اجلاس کی تعداد منعقد ہوئیں | ڈائریکٹر کا نام |
|-----------------|----------|-------------------------------|--------------------------|
| 0 | 4 | 4 | 1 جناب محمد صدیق کھوکھر |
| 0 | 4 | 4 | 2 جناب عبدال کریم |
| 0 | 4 | 4 | 3 جناب اورنگزیب علی نقوی |

کمپنی کے ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے شرکاء، حیات اور ان کے نابالغ بچوں کی حصص کی تجارت کی تفصیل درج ذیل ہے؛
ڈائریکٹر ز حصص کی تعداد

| فروخت | بونس رائٹ | حصص کی تعداد خریداری | ڈائریکٹر کا نام |
|-------|-----------|-------------------------|--------------------------|
| - | - | - | 1 جناب جاوید بشیر شیخ |
| - | - | 230,000 | 2 جناب عمران موقی والا |
| - | - | - | 3 محترمہ انعم ڈھیڈی |
| - | - | - | 4 جناب اورنگزیب علی نقوی |

| | | | | |
|---|---|---|---|----------------------------------|
| - | - | - | 5 | جناب محمد صدیق کھوکھر |
| - | - | - | 6 | جناب عبدال کریم |
| - | - | - | 7 | جناب مزمل عبدال کریم |
| - | - | - | 8 | کمپنی سیکریٹری: جناب محمد یعقوب |
| - | - | - | 9 | چیف فنانشل آفیسر: جناب محمد منیر |

گولڈن ایرو سلیکٹڈ اسٹاک فنڈ لمیٹڈ کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 28 فروری 2019 کو گولڈن ایرو سلیکٹڈ اسٹاک فنڈ لمیٹڈ کی کارکردگی کیٹیگری کی 1 سال، 3 سال اور 5 سال کی مدت میں بالترتیب "4MFR اسٹار"، "5MFR اسٹار" اور "5MFR اسٹار" کی رینٹنگ تفویض کر چکی ہے، جو دیگر میوچل فنڈز کے مقابلے میں اچھی کارکردگی ہے۔

کمپنی کو بنیادی خطرات اور غیر یقینی کا سامنا

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی کی تفصیلات کے لیے برائے مہربانی گولڈن ایرو سلیکٹڈ اسٹاک فنڈ لمیٹڈ کے 30 جون 2019 کو ختم ہونے والے سال کے کھاتے کا نوٹ نمبر 23 دیکھ لیں۔

حصص رکھنے کا رجحان

کمپنی ایکٹ 2017 کے تحت مطلوب اور اداراتی نظم و ضبط کے تفصیلی حصص رکھنے کا رجحان منسلک ہے۔

مالیاتی اعداد و شمار ایک نظر میں

گذشتہ چھ سالوں کے مالیاتی اعداد و شمار ایک نظر میں منسلک ہیں۔

سرمایہ کاری پالیسی

کمپنی کے عام قسم کیلئے گئے سودے اور آئندہ کئے جانے والے سودوں کے لیے اثاثہ جات کی سرمایہ کاری تمسکات میں ہوگی۔ کمپنی کا مقصد ہے کہ وہ سرمایہ کاروں کو ایک سرمایہ کاری کا پلیٹ فارم فراہم کیا جائے جہاں سے سرمایہ کار اپنے فنڈز کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کی رہنمائی میں تمسکات میں سرمایہ کاری کر سکیں جو مشروط ہے بورڈ آف ڈائریکٹرز کی ہدایت اور ان کے عام کنٹرول سے۔ کمپنی کا مقصد سرمایہ کاری کی حکمت عملیوں کے اشتراک سے بہترین منافع حاصل کیا جائے جس میں شامل ہیں زیادہ آمدنی نمو کے اسٹاک میں سرمایہ کاری، گہری قدر اور بلند منقسمہ منافع ادا کرنے والیا سکر ایپس۔

حصص منڈی میں اتار چڑھاؤ میں اضافے کی صورت میں کمپنی کے پاس سرمایہ کے نقصان کو محدود کرنے کے لیے حکمت عملی موجود ہے کہ وہ سرمایہ کا رخ دفاعی اسٹاک اور قسود آمدنی کے تسکات کی جانب موڑ دے۔ پورٹ فولیو کے لیے اسٹاک کا انتخاب اصولوں اور معیاری بروکر تاج ہاؤسز کی مستند تحقیق کی بنیاد پر ہوگا۔

آڈیٹرز کی تقرری

ریٹائر ہونے والے آڈیٹرز، میسرز ڈیلوائٹی یوسٹ عادل نیاپنے دوبارہ انتخاب کے لیے پیش کیا ہے۔ ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر، میسرز ڈیلوائٹی یوسٹ عادل، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2020 تک کے لیے بطور آڈیٹرز منتخب کرنے کی تجویز دیتے ہیں جو سالانہ عام اجلاس میں حصص کنندگان کی منظوری سے مشروط ہے۔

مادی معلومات

نان بینکنگ فنانشل کمپنیز اینڈ نوٹیفائیڈ اینٹی ٹریڈ ریگولیشنز، 2008 کے سق 65 کے مطابق جس میں سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے اعلامیہ S.R.O. (I) 1492/2012 تاریخ 26 دسمبر 2012 کے ذریعے سے ترمیم کی گئی، کے تحت کوئی اسٹیٹ بینکنگ کمپنی کسی انویسٹمنٹ کمپنی کا انتظام کرتا ہے، اسے 21 نومبر 2007 سے پانچ سال کی مدت گزرنے کے بعد ایک ماہ میں حصص کنندگان کا اجلاس کا انعقاد کرے گا اور انویسٹمنٹ کمپنی کو "اپن اینڈ اسکیم (سادہ اکثریت سے) میں تبدیل کرنے یا انویسٹمنٹ کمپنی کی بندش (خصوصی قرارداد کے ذریعے) کی منظوری حاصل کرے۔ SECP کے 28 نومبر 2012 کے اعلامیہ S.R.O. (I) 13992/2012 کے ذریعے پچھس کنندگان کا اجلاس کے انعقاد کرنے کی مدت میں 31 جنوری 2013 تک توسیع کر دی گئی ہے۔

مذکورہ بالا ضابطہ کی تعمیل، کمپنی نے 31 جنوری 2013 کو حصص کنندگان کا انعقاد کیا۔ تاہم، اس ضابطہ میں درج اکثریت سے، حصص کنندگان نے نہ تو کمپنی کی منتقلی کی اور نہ اس کی بندش کی منظوری دی۔ اس حقیقت کی اطلاع اسٹاک ایکسچینج اور SECP کو دی گئی ہے۔

بعد ازاں، 21 فروری 2013 کو SECP کی جانب سے ایک نوٹس موصول ہوا جس میں مذکورہ بالا ضابطہ کی عدم تعمیل کا بتایا تھا اور کمپنی کو مشورہ دیا گیا تھا کہ فوری طور پر درستی کے قدم کے طور پر ایک اور حصص کنندگان کا ایک غیر معمولی اجلاس طلب کریں۔ کمپنی جو اس نوٹس سے متاثر ہے اس نے معزز عدالت عالیہ، سندھ میں ایک آئینی درخواست دائر کی جس کی بنیاد تھی کہ ضابطہ 65 قانون سے متجاوز ہے۔ معزز عدالت عالیہ، سندھ نے ابتدائی سماعت کے بعد SECP کو پابند کیا کہ اس قانونی درخواست کی مدت کے دوران کمپنی کے خلاف کسی قسم کے دباؤ کے اقدام نہ اٹھائے۔

بعد ازاں، بورڈ کے ناظمین نے 9 جنوری 2018 کو منعقدہ اجلاس میں رضا کارانہ طور پر یہ طے کر لیا کہ، نان بینکنگ فنانشل کمپنیز اینڈ نوٹیفائیڈ اینٹی ٹریڈ

ریگولیشنس 2008 کے تحت کمپنی کو 'کلوزڈ اینڈ فنڈ' سے ایک "اوپن اینڈ اسکیم" میں منتقل کر دیا جائے اور اسکیم کے انتظام کی منظوری دی۔ مزید یہ کہ بورڈ نے فیصلہ کیا تھا کہ اس اسکیم کے انتظام کو 15 فروری 2018 کی منعقدہ غیر معمولی عام اجلاس میں خصوصی قرارداد کے ذریعے حصص کنندگان کی منظوری کے لیے پیش کیا جائے اور اس اجلاس میں حصص کنندگان نے اس منتقلی کی منظوری دے چکا تھا۔

غیر معمولی عام اجلاس کی منظوری کے بعد کمپنی کی جانب سے پاکستان کیو فاق اور SECP کے خلاف دائر مقدمہ خارج کر دیا گیا ہے اور کمپنی کو عدالت کے احکامات موصول ہو چکے ہیں۔ کمپنی نے لیے GASSFL کی "اوپن اینڈ اسکیم" میں منتقلی کے لیے SECP درخواست دے دی ہے۔ SECP نے NBFC اور NE ریگولیشن 2008 کی شق 65 کے تحت اپنے 14 فروری 2019 کے خط کے ذریعے منظوری دے چکی ہے۔ منتقلی کی موثر تاریخ 1 جولائی 2019 سے پہلے ہوگی۔

بعد ازاں AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (مینجمنٹ کمپنی) نے ایس ای سی پی سے اسکیم میں منتقلی کے لیے پہلی اکتوبر 2019 تک توسیع کی درخواست کی ہے اور بعد میں ایس ای سی پی اپنے مراسلہ نمبر 2019/11/GASSFL/AMCW/SCD کے ذریعے سے منظوری دے دی ہے۔

مینجمنٹ کمپنی، ایس ای سی پی سے اسکیم میں منتقلی کے لیے 1 دسمبر 2019 تک کی توسیع کے لیے مزید درخواست کر چکی ہے اور ان کے جواب کے منتظر ہے۔

اعتراف

ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت مالیات، بینک دولت پاکستان اور اسٹاک ایکسچینج کی انتظامیہ کا ان کی مجموعی طور پر پورے میوچل فنڈ کی صنعت کی جانب سے شکریہ ادا کرنا چاہتا ہوں اور ہمارے محافظ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے تعاون کا شکریہ ادا کرنا چاہتے ہیں۔ بورڈ اپنے حصص یافتگان کا ان کے کمپنی پر اعتماد اور مسلسل حمایت اور رہنمائی کا بھی شکریہ ادا کرنا چاہتا ہے۔

برائے و مخانب بورڈ

عمران موتی والا
چیف ایگزیکٹو آفیسر

جاوید بشیر شیخ
چیرمین

کراچی: 27 ستمبر 2019

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

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PROXY FORM

ANNUAL GENERAL MEETING

I/We _____
of _____
being member(s) of Golden Arrow Selected Stocks Fund Limited holding _____
ordinary Shares hereby appoint _____
of _____ or failing him / her _____
of _____ who is / are also member(s) of Golden Arrow Selected Stocks Fund
Limited as my / our proxy in my / our absence to attend and vote for me / us and on my / our
behalf at the Annual General Meeting of the Company to be held on Saturday,
October 26, 2019 at 2:30 p.m. and / or any adjournment thereof.

As witness my / our hand seal this _____ day of _____ 2019
Signed by _____
in the presence of _____

Shareholder Folio No.
CDC Participant I.D. No.
& Sub Account No.

Signature on
Five Rupees
Revenue Stamp

The Signature Should
agree with the
specimen registered
with the Company

(Signature of Witness 1)

Name of Witness: _____

CNIC No.:

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Address: _____

(Signature of Witness 2)

Name of Witness: _____

CNIC No.:

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Address: _____

IMPORTANT:

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, not less than 48 hours before the time of holding the Meeting.
2. No person shall act as proxy unless he/her himself/hereself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.



**AKD Investment
Management Ltd.**

Head Office:

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) | Fax : 92-21-35303125

Gulshan-e-Iqbal Branch:

Bungalow No. FL-3/12,
Ground Floor Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Abbottabad Branch:

Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital,
Main Mansehra Road, Abbottabad.
Contact # 099-2381431-2

Lahore Branch:

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Contact # 0333-0342762-4

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com