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BEFORE THE APPELLATE TRIBUNAL, SINDH REVENUE BOARD AT-KARACHI

DOUBLE BENCH-I

APPEAL NO. AT-01/2020

Assistant Commissioner SRB, (Unit-28)
09th Floor, Shaheen Complex Building
M.R. Kiyani Road Karachi .... Appellant

Versus

M/s Axact (Private) Limited, Karachi
114-116C, Jami Commercial Street # 13,
Phase-VII, Defense Housing Authority,
Karachi, ... Respondent

Date of filing of Appeal	13.01.2022
Date of hearing	24.08.2022
Date of Order	13.10.2022

Mr. Liaqat Bajeer AC, (Unit-28)-SRB, and Ms. Umi Rabbab AC-DR, SRB for appellant

Mr. Muhammad Zaheer , Advocate for respondent

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

ORDER

Imtiaz Ahmed Barakzai: This appeal has been filed by the Assistant Commissioner (Unit-04), SRB Karachi challenging the Order-in-Appeal (hereinafter referred to as the OIA) No.203/2019 dated 28.12.2019 passed by the Commissioner (Appeals) in Appeal NO. 85/2018 filed by the Appellant against the Order-in-Original (hereinafter referred to as the OIO) No. 163/2018 dated 19.03.2018 passed by Ms. Nida Noor Assistant Commissioner, (Unit-28) SRB Karachi.

02. The brief facts of the case as stated in the OIO were that the respondent M/s Axact (Private) Limited, bearing SNTN: 2692690-3, got registered under the Principal Activity of "Software or IT based System Development Consultant" under Tariff Heading 9815.6000 of the Second Schedule to the Sindh Sales Tax on Services Act, 2011 (hereinafter referred as the Act) and are chargeable to sales tax at the rates specified under Second Schedule to the Act.

03. It was stated in the OIO that in view of payment of the respondent for the year ended June 30, 2014 as provided by its vide letter dated 29.04.2015, a total amount of Rs.378,234,466/- (Rs.138,126,020 for the year 2012-2013 + Rs.240,108,466 for tax year 2013-2014) was mentioned against the receipt of services of Advertisement. The said advertisement services were held to be chargeable to Sindh Sales Tax (SST) at 16 percent amounting to Rs.60,517,515/- under Section 8 read with respective Heading to the Act. However despite providing sufficient time to respondent proper response was not provided. Moreover the respondent failed to provide true and correct Sales Tax Returns for the tax periods from May 2015 to June 2016 thus it contravened the provisions of Section 30 of the Act. Therefore the respondent was served with Show Cause Notice (SCN) and confronted as to why principal amount of Rs.60,517,515/- may not be assessed and recovered under section 23 read with section 47(1A)(a) of the Act together with amount of default surcharge under section 44 of the Act. The respondent was also required to explain as to why penalties under Sr. No.2, 3, 6 and 15 of the Table in section 43 of the Act may not be imposed on it for contravention of statutary notice issued under sections 8, 3, 9, 17, 30 and 26 of the Act read with section 52(1) of the Act.

04. It was held in the OIO that on 05.03.2018 and 09.03.2018 respectively the respondent submitted copy of revised audited financial statement audited by Salahuddin & Co. Chartered Accountant for the Tax Year 2013 and Tax Year 2014. It was stated that the expenses booked on account of advertisement services related to the amount paid on behalf of its Parent Company which received the advertisement services and the same was rectified through the revised financial statement. However it was held that the advertisement services were chargeable to SST at 16 percent under section 8 of the Act read with respective Heading i.e.98.02 (and the sub-heading thereunder) of the Second Schedule to the Act. Moreover the respondent was a Withholding Agent as provided under Rule 2(8) of the Sindh Sales Tax Special Procedure (Withholding) Rules 2011. Thus it was liable to deduct and deposit 100 percent Sales Tax amount with SRB against the receipt of said advertisement services even if the services were received from the non-resident person. Since the liability to pay SST was on the respondent under Section 3(2) read with section 9(2) of the Act.

05. It was stated in the OIO that the respondent contended that the advertisement expenses pertained to the services received by its parent company and thus were not an expense of the respondent. This contention could not be

entertained on the ground that the registered person had deducted the said expense from its revenue in the income tax return, as submitted by him to this office. Furthermore, the registered person was requesting time on the ground that all the record are kept by FIA, if this is the case, than how the auditor had corrected the financials and had formed opinion without relying on the documents which were kept by the FIA, according to the statement of the respondent. Furthermore, the respondent did not submit the copy of agreement / contract / memorandum of understanding signed with Axact FZ LLC, details of ERP system developed by DHA alongwith copy of contract / invoices, details of locally credited amount in their business bank account, copy of contract with foreign vendor and documents, as specified by State Bank of Pakistan for foreign remittance.

06. The AO charged the SST at Rs.60,517,515/- on account of receipt of taxable advertisement services under section 23 of the Act read with section 47 of the Act alongwith default surcharge under section 44 of the Act. Penalty of Rs.3,025,876/- was imposed being (5 percent of Rs.60,517,515) under Serial No.3 of the Table under Section 43 of the Act for non-payment of SST. Penalty of Rs.100,000/- was imposed under Serial No.15 of the Table under Section 43 of the Act. Penalty of Rs.1,381,300/- was imposed as the respondent did not file the true and correct SST return on the due date. Penalty of Rs.60,517,515/- was imposed under Serial No.6 of Table under Section 43 of the Act.

07. The respondent challenged the OIO before Commissioner (Appeals) SRB by filing appeal under section 57 of the Act who set aside the OIO holding as under:-

> *"…5. The plain perusal of the above para of revised auditors' report to the members signed by M/s Salahuddin & Co. Chartered Accountant is very clearly establishing the fact that they have rectified their reported procedural mistake in the annual audited accounts. The instant case is slightly different in nature and have different facts than normal, as there is no question of law involved or any interpretation of legal issues is required. The Assesse has adjudged the liability in accordance with the old and defected annual audited accounts of the appellant; however, the same accounts have already been revised through their respective chartered accountant's firm. It will not be out of place to mention here that the respondent department should have examined / scrutinized the revised annual audited accounts as submitted by the AR of the appellant earlier in order to determine their actual Sindh Sales Tax liability. Therefore, the liability established against the instant appellant as per their previous annual audited accounts stands void ab initio."*

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"6. Hence, I, in exercise of power conferred under section 59 of the Act, hereby set aside the OIO No.163/2018 dated 19.03.2018. The instant Appeal is disposed-off accordingly."

Resultantly the instant appeal was filed by the department.

08. The learned AC-SRB submitted as under:-

i) That the respondent had not adhered to paragraph 8 and 9 of the International Standard of Auditing 706 (Revised) whereby while revising the Audited Accounts the Emphasis of Matter Paragraphs were to be included in the Audited Report. Such relevant paragraph 8 and 9 are reproduced as under:

*"**Emphasis of Matter Paragraphs in the Auditor's Report***

9. When the auditor includes an Emphasis of Matter paragraph in the auditor's report, the auditor shall:

a) Include the paragraph within a separate section of the auditor's report with an appropriate heading that includes the term "Emphasis of Matter";

b) Include in the paragraph to a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements. The paragraph shall refer only to information presented or disclosed in the financial statements; and

Other Matter Paragraphs in the Auditor's Report

11. When the auditor includes an Other Matter paragraph in the auditor's report, the auditor shall include the paragraph within a separate section with the heading "Other Matter", or other appropriate heading."

ii) That the Commissioner (Appeals), SRB wrongly set aside the principal amount of SST of Rs.60,517,515/- for FY 2012-23 & 2013-14, since the same was rightly established by the Department under section 23 of the Sindh Sales Tax on Services Act, 2011 for non-deposit of said amount as required to be withheld and deposited by the respondent under Rule 2(8) of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2011.

iii) That the Commissioner (Appeals) failed to give any deliberation to the submissions made by the appellant from time to time during hearing and also after filing of written submissions before him on 6th December, 2019.

iv) That the Commissioner (Appeals) SRB erred in holding that the respondent had revised its Financial Statement despite the fact that it had failed to provide any document in support of particular revision in their Financial Statements.

v) That the export receipts are the amount of export collection which is realized through PRC's against the commodities Export and cannot be considered as the reimbursement of expenses from the Axact Dubai because exports receipts are the receipts which are earned against the exporting commodities abroad. Axact Pakistan exported the Software and IT based services from Pakistan and on the contrary it received its value of said exports in shape of foreign remittances. Thus it was the value of their export commodities which was sold outside Pakistan.

vi) The respondent wrongly contended while submitting revised audited financial statement that the advertisement expenses pertained to the services received by its parent company and not the expenses of respondent. Such contention cannot be entertained on the ground that the respondent had deducted the said expenses from its revenue in the income tax return, as submitted by him before Assessing Officer.

vii) The respondent was requesting for time on the ground that all the record were kept by FIA, if this was the case, than how the auditor has formed opinion without relying on the documents which were kept by the FIA, according to the statement of the respondent and revised its audited report.

viii) That the respondent did not submit the copy of agreement / contract / memorandum of understanding signed with Axact FZ LLC, details of ERP system developed by DHA alongwith copy of contract / invoices, details of locally credited amount in their business bank account, copy of contract with foreign vendor and documents, as specified by State Bank of Pakistan for foreign remittance.

09. The learned advocate of the respondent submitted as under:-

i) That the Respondent support the view taken by the learned Commissioner (Appeals-II) Sindh Revenue Board in the order dated 28.12.2019. The Appellant has completely failed to suggest any illegality or irregularity in the above order. The Learned Commissioner (Appeals-II) SRB has passed the order after careful evaluation of the documents and considering the circumstances appearing on the face of record.

ii) That the Appellant has completely failed to show any single ground which could establish that the order passed by the Commissioner (Appeals-II) Sindh Revenue Board was unreasonable and based on misreading of material evidence.

iii) That the Appeal in hand is liable to be dismissed as the Appellant had failed to show any illegality or error or miscarriage of justice warranting interference.

iv) That Section 114 sub-section (6) of Income Tax Ordinance 2001 permits the respondent to revise Income Tax returns on the basis of revised Audited Accounts. Moreover the application for revision of Income Tax returns was submitted in time on 22.03.2018 and its hard copy was submitted on 22.03.2018 and the said application is pending decision before Commissioner Income Tax. He further relied upon 2015 to PTD (Trib.) 1425, M/s Shaheen Chemist Shop, Rawalpindi V/s Commissioner Inland Revenue, RTO Rawalpindi and submitted that Income Tax returns could be revised number of times. He further submitted that in the Audited Accounts, 2013 at page 12 under the heading Marketing and sales promotion expenses an amount of Rs.138,126,020/- was wrongly mentioned and on realizing the mistake the same was rectified by way of revising audited accounts and referred to page-12 item No. 14 of revised audited accounts, 2013 and further submitted that this amount was deducted from the head of advance from customer from holding company and in the revised accounts their amount was shown to Rs.71,535,441/- instead of Rs.209,661,461/- as reflected in the original Audited Accounts.

v) That the audited accounts as well as revised audited accounts were submitted before the AO as mentioned in para-10 of OIO but, the same were ignored and not considered.

10. We have heard the learned representatives of the parties, perused the record of the case made available before us and the written submissions filed by the representatives of the parties.

11. The brief facts of the case are that the appellant during the scrutiny of the financial statement of the respondent for Tax Year 2013 (period from 01.07.2012 to 30.06.2013) and for Tax Year 2014 (period from 01.07.2013 to 30.06.2014) detected Marketing and Sales Promotion (Advertisement services) amounting to Rs.138,126,020/- for Tax Year 2013 and Rs.240,108,446/- for the Tax Year 2014. This taxable Advertisement services totaling Rs.378,234,466/- (138,126,020+240,108,446) were held to be chargeable to SST at 16 percent by the Assessing Officer resulting in levy of SST of Rs.60,517,515/- under section 23 read with section 47(1A)(a) of the Act together with default surcharge under section 44 of the Act and penalties.

12. That the original financial statements for Tax Year 2013 were filed on 16.09.2013 through M/s Mazars M.F and Co. Chartered Accountant. These statements were revised on 5th March, 2018 through Salahuddin and Co. Chartered Accountant. In the same way the original financial statements for Tax Year 2014 was filed and no date of filing has been mentioned in the Auditors Report through M/s Mazars M.F and Co. Chartered Accountant. These financial statements were revised on 9th March, 2019 through M/s Salahuddin and Co. Chartered Accountant.

13. In the revised financial statements filed by the Respondent the Marketing and Sales Promotion expenses amounting to Rs.138,126,020/- for the Tax Year 2013 were shown at Nil. However for the Tax Year 2014 the same were shown at Rs.725,123/-. On the basis of the revision in the annual audited accounts the liability established against the respondent as per their previous annual audited accounts was deleted by the Commissioner (Appeals). He held that the instant case was slightly different in nature and had different fact than normal as no question of law was involved in this case.

14. In the instant case the main issued involved was "Whether the Financial Statements for Tax Year 2013 and Tax Year 2014 were revised correctly in consideration with Accounting Standards and adopting proper procedure of revision". This issue is discussed as under:-

i) It is evident from first page of the OIO (Judgment sheet) that the date of hearing allowed in this case were on 10.08.2016, 18.08.2016, 29.08.2016, 09.09.2016, 19.09.2016, 03.10.2016, 09.02.2017, 25.02.2017, 15.03.2017, 24.03.2017, 10.04.2017, 25.04.2017, 10.05.2017, 19.05.2017, 05.06.2017, 27.07.2017, 31.07.2017, 14.08.2017, 19.09.2017, 25.09.2017, 13.02.2018, 28.02.2018 and 19.03.2018. Therefore it is evident from above that sufficient opportunities of hearing were provided to the respondent to respond to the show cause notice and produce documentary evidence in support of their stance but the respondent failed to do so. However when it became clear that Marketing and Sales Promotions expenses (Advertisement services) amounting to Rs.138,126,020/- for the Tax Year 2013 and Rs.240,180,446/- for the Tax Year 2014 were being held to be chargeable to SST the Financial Statements were dubiously revised for both the years in March 2018 few days before OIO was passed i.e. on 19th March, 2018. This view gains support from the case of Rao Muhammad Ashraf vs. Additional Session Judge, Nankana Sahib and others reported as PLD 2022 Lahore 409 wherein at para 9 it was held as under:-

> *"...9...The conduct of a party is a relevant fact in the administration of justice. A party cannot be allowed to play hide and seek with the Court and to prolong the matter unnecessarily as well as to engage the machinery of the State department unnecessarily as per his whims and caprice besides wasting precious time of the Court. The Rules of Procedure are enacted to regulate the safe administration of justice in accordance with law and to check unnecessary delay in resolving the dispute between the parties."*

ii) That the original accounts were audited by International member firm M/s Mazars M.F and Co. Chartered Accountants and the audit was conducted as per provisions of Companies Ordinance 1984 and approved accounting standards. However revised Financial Statements were filed by M/s Salahuddin & Co. Chartered Accountants wherein it was strangely noted in accounts for period 2013 (ending June 2013) in note 12 of the Revised Financial Statements which deals with Creditors, accrued and other liabilities, wherein the period of 2014 was mentioned. Similarly in Note 19.1 to the Accounts relating to Credit Risk also the year 2014 has been mentioned in revised audited account although these accounts were related to the Tax Year 2013 (**copies of the Audited Statement of Tax Year 2013 is enclosed as Annexure 'A'**). This apparently shows that the revised accounts were fabricated by the respondent to avoid incidence of tax. This fact establishes contumacious conduct on part of the taxpayer, resultantly the revised audited accounts could not be accepted.

iii) The respondent has filed photocopy of application for revision of Return for Tax Year 2014 only. However it has failed to produce evidence of grant of approval by Commissioner as such approval is mandatory as per provision of section 114 (6)(ba) of the Income Tax Ordinance 2001. Moreover no evidence at all has been produced relating to the revision of income tax return of Tax Year 2013 (period ending 30.06.2013). It is pertinent to point out that the Sindh Sales Tax on Services Act, 2011 is a specific and separate law and a case has been adjudicated under the parameters of the said law which could not be done.

iv) That the whole argument of respondent hinges on the Revised audited accounts from a new firm of Accountants which were filed just before the last date of hearing before the AC in which conveniently advertisement charges were removed. This is a mere after thought and the revised audited accounts are manipulated accounts and mens rea is clearly established. We are fortified in our view by the judgment of Hon'ble Supreme Court of Pakistan in case of Miss Assia vs. ITAT reported as PLD 1979 SC 949 in which the Hon'ble Supreme Court held that "the assessing officer is not bound to rely on all evidence produced by the assessee in case he was not satisfied about it. He was entitled to reject the accounts believed by him to be false and unreliable. In this very judgment the Hon'ble Supreme Court observed that there is no rule of law compelling a Judge to accept evidence, even though contradicted, which he believes to be a pack of lies (in re: Bagbat Halwai)(3 ITC 48). Based on the above additional reasons, we hold that the AC was justified in rejecting the revised audited accounts in which the advertisement charges have been removed.

v) That the respondent is a private limited company and their accounts were originally audited by International Chartered Accountants member firm 'Mazars' and the audit was conducted as per provisions of Companies Ordinance 1984 and according to the approved accounting standards. Para (C) of the Auditors Report to the Members clearly states:

> *"In our opinion and the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and the statement of changes in equity together with the notes forming and thereof confirm with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affair as at June 30, 2013 and of the profit, its changes in equity for the year ended; and"*

Hence there is clear confirmation from the auditors who conducted audit originally and such audit was approved by the Board that the same was conducted in conformity with the approved accounting standards as applicable in Pakistan. Moreover the information required by the Companies Ordinance, 1984 has been given in the manner so required and respectively give a true and fair view of the state of the Company's affair as at June 30, 2013 and 2014.

vi) That the respective audits were finalized in 2013 and 2014. Whereas the so called Revised Audited accounts were submitted on 05.03.2018 and 09.03.2018 respectively only few days before the last date of hearing in March, 2018 during the proceeding before the AC, the said revised audited accounts from the Chartered Accountant M/s Salahuddin & Co. were full of clear and apparent errors and were dubious. No evidence was produced at any stage during the proceedings that the previous accounts was recalled by the Extra Ordinary General Body meeting or AGM, or the fact that the Board had appointed new Auditors to re-audit the accounts of period ending 30.06.2013 and 30.06.2014 in the year 2018 as this belated audit could not be done under the Companies Ordinance, 1984. We find it very odd and beyond reason as to how after a period of five years accounts could be re-audited with material change by a new auditor once the original accounts were audited and approved by the Board.

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vii) That it is evident from the facts of the case that the revised audited accounts or even the frequent adjournments sought, that the conduct of respondent was highly objectionable. It is cardinal principal of law that one who knocks the door of the court must come with clean hands. In the instant case, applicant having not come to the court with clean hands, hence would not be entitled for any remedy / relief. The doctrine is often stated as "those seeking equity must do equity" or "equity must come with clean hands". It is settled law that a person who approaches the Court for granting relief, equitable or otherwise, is under a solemn obligation to candidly & correctly disclose all the material / important facts which have bearing on the adjudication of the issues raised in the case. He owes a duty to the court to bring out all the facts and desist from concealing / suppressing any material fact within his knowledge or which he could have known by exercising diligence expected or a person of ordinary prudence. If a petitioner / appellant / applicant is found guilty of concealment of material facts or making an attempt to pollute the pure stream of justice, the court not only has the right but a duty to summarily deny relief to such person to prevent an abuse of the process of law and reject the Appeal on this ground alone without going to the merits of the case. Conduct of the respondent shows that they had not come with clean hands and any discretionary relief or even relief would not be available to a person who comes to court with unclean hands. Reliance is placed on cases reported as Mirza Nazeer Ahmed Baig vs. Additional District Judge, Kasur and 2 others (1996 CLC 1616) and Niaz Muhammad vs. Mst Noori (1997 MLD 406).

viii) That in the instant case there is clear mens rea from the respondent "guilty mind" and the whole attempt to evade charge of tax by filing revised audited accounts, which were full of errors and other defects which have clearly established mens rea of the respondent.

ix) Considering the above discussions it is held by us that the Financial Statements for the Tax Year 2013 and Tax Year 2014 were incorrectly revised without taking into consideration the Accounting Standards and adopting proper procedure of revision.

15. In view of the above discussions we confirm the OIO and set aside the order of Commissioner (Appeals) which was based on misreading / non-reading of the facts and is not sustainable and resultantly we allow the appeal.

16. The appeal is disposed of in terms of para 15 supra. The copy of the order may be provided to the learned representative of the parties.

(Justice®Nadeem Azhar Siddiqi)
CHAIRMAN

(Imtiaz Ahmed Barakzai)
TECHNICAL MEMBER

Karachi:
Dated:13.10.2022

Copy Supplied for compliance:

1) The Appellant through Authorized Representative.
2) The Assistant Commissioner, (Unit-28), SRB, for compliance

Copy for information to:-

3) The Commissioner (Appeals), SRB, Karachi.
4) Office Copy.
5) Guard File.

Certified to be True Copy

REGISTRAR
APPELLATE TRIBUNAL
SINDH REVENUE BOARD

Order issued on 18/10/2022
Registrar

Order Dispatched on 18/10/2022
Registrar

ANNEXURE - 1.

Revised

Revised

FINANCIAL STATEMENTS

M/S AXACT (PVT.) LIMITED

Appellate Tribunel Sindh Revenue Board Sales Tax on Services

JUNE 30, 2013

~~2012 - 2013~~ Tax Year 2013

1.7.2012 to 30.6.2013

Tax Year 2013.

SALAHUDDIN & CO.

CHARTERED ACCOUNTANTS

514, 5TH FLOOR, MADINA CITY MALL,
ABDULLAH HAROON ROAD, SADDAR,
KARACHI – 744000
TEL # 5217665, FAX # 021-37015176.
MOB # 0333-2111 531
Email: skamalpk@yahoo.com

Axact Private Limited
BALANCE SHEET
AS AT JUNE 30, 2013

	NOTE	2013	2012
		--------Rupees-------	
ASSETS			
Non Current Assets			
Property, plant and equipment	4	797,203,944	359,293,608
Club membership rights	5	5,284,400	5,284,400
Long term deposits		7,023,316	4,217,575
		809,511,660	368,795,583
Current Assets			
Stores and consumables		4,484,162	3,182,901
Short term investment	6	30,000,000	20,000,000
Loan and advances - considered good	7	8,653,892	8,729,196
Prepayments and other receivables	8	5,517,247	1,553,565
Advance tax		12,681,947	7,292,560
Cash and bank balances	9	116,640,788	95,792,181
		177,978,036	136,550,403
Total Assets		987,489,696	505,345,986
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
700,000 (2013: 700,000) ordinary shares of Rs. 10 each		7,000,000	7,000,000
Issued, subscribed and paid-up capital	10	6,000,000	6,000,000
Accumulated profit		643,981,034	266,048,228
		649,981,034	272,048,228
Non Current Liabilities			
Long term Loan from director	11	158,886,509	213,488,851
Current Liabilities			
Creditors, accrued and other liabilities	12	178,622,153	19,808,907
Contigencies and Commitments	13	-	-
Total Equity and Liabilities		987,489,696	505,345,986

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

Chief Executive

Director

Axact Private Limited
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	2013	2012
		--------Rupees-------	
Revenue from software exports		1,582,410,109	1,038,513,780
Direct and administrative expenses	14	(1,235,670,949)	(884,947,703)
Operating profit		346,739,160	153,566,077
Other income	15	32,073,783	7,661,949
Financial charges	16	(186,963)	(240,755)
Profit before taxation		378,625,980	160,987,270
Taxation - current		(693,173)	(845,140)
Profit after taxation		377,932,806	160,142,131
Earnings per share - basic and diluted		629.89	266.90

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

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Chief Executive

Director

S. SALAMUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

Axact Private Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	--------Rupees-------	
Profit after taxation	377,932,806	160,142,131
Other comprehensive income	-	-
Total comprehensive income	377,932,806	160,142,131

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

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

Chief Executive

Director

SALAHUDDIN KARACHI CHARTERED ACCOUNTANTS

SALAHUDDIN & CO
CHARTERED ACCOUNTANTS

REVISED AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of M/S AXACT (PVT.) LIMITED as at June 30, 2013 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit

During the exercised of our current audit procedure it was found that company has booked some expenses in their books which by virtue of transaction were needed to be recorded in holding companies account therefore after conformity of management this report is now been revised, the previous audit report of M/S AXACT (PVT.) LIMITED dated September 16, 2013 is now been revised

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984.

b) In our opinion:

i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.

ii. the expenditure incurred during the year was for the purpose of the Company's business, and

iii. the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Company;

c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the loss, its cash flows and changes in equity for the year then ended, and

d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

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KARACHI.
Dated: March 05, 2018

SALAHUDDIN & CO.
(Chartered Accountants)

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

514, 5th Floor Madina City Mall, Abdullah Haroon Road, Saddar, Karachi. Tel: 35217665
Fax: 021-37015176, Mob: 0333-2111531, E-mail: skamalpk@yahoo.com

Axact Private Limited
CASH FLOWS STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	2013	2012
		--------Rupees-------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		378,625,980	160,987,270
Adjustment for non-cash / other items			
Depreciation		61,590,701	51,002,360
Loss / (gain) on disposal of fixed assets		(20,144,984)	860,848
Rerturn on bank deposits		(11,922,456)	(8,468,722)
Financial charges		186,963	240,755
Cash flow before working capital changes		408,336,203	204,622,511
Changes in working capital			
Decrease / increase) in current assets			
Trade debts		-	18,867,168
Stock of Consumable items		(1,301,261)	(248,364)
Loans and advances		75,304	5,545,742
Prepayments and other receivables		(3,780,228)	2,435,869
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		158,813,246	8,141,558
Net changes in working capital		153,807,061	34,741,973
Cash generated from operating activities		562,143,264	239,364,484
Taxes paid		(6,082,560)	(4,570,025)
Financial charges paid		(186,963)	(240,755)
Net cash generated from operating activities		555,873,741	234,553,704
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to operating fixed assets		(506,035,773)	(87,821,242)
Sale proceeds from disposal of fixed assets		32,458,500	2,785,500
Capital work in progress		(5,778,780)	(64,434,104)
Long term deposits		(2,805,741)	(210,713)
Short term investment		(10,000,000)	-
Return on bank deposits		11,739,002	7,548,749
Net cash used in investing activities		(480,422,792)	(142,131,810)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from directors		(54,602,342)	(9,688,080)
Net cash used in financing activities		(54,602,342)	(9,688,080)
Net increase in cash and cash equivalents		20,848,607	82,733,515
Cash and cash equivalent at the beginning of the year		95,792,181	13,058,666
Cash and cash equivalent at the end of the year		116,640,788	95,792,181

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

Chief Executive

Director

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

SALAMUDDIN KARACHI CHARTERED ACCOUNTANTS

Axact Private Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

	Issued, subscribed and paid up capital	Accumulated Profit	Total
	-----------------------Rupees-----------------------		
Balance as at July 1, 2011	6,000,000	105,906,097	111,906,097
Total comprehensive income for the year ended June 30, 2012	-	160,142,131	160,142,131
Balance as at June 30, 2012	6,000,000	266,048,228	272,048,228
Total comprehensive income for the year ended June 30, 2013	-	377,932,806	377,932,806
Balance as at June 30, 2013	6,000,000	643,981,034	649,981,034

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

Chief Executive

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

Director

SALAHUDDIN ... KARACHI CHARTERED ACCOUNTANTS

Axact Private Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1 STATUS AND NATURE OF BUSINESS

The company is incorporated in Pakistan under the companies ordinance, 1984 as a private limited company on June 06, 2006. The company is engaged in software exports.

The company is a wholly owned subsidiary of Axact FZ LLC Dubai.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance,1984 In case requirements differ, the provisions of or directives of the Companies Ordinance,1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

2.3 Basis of preparation

These financial statements are prepared on accrual basis except for cash flow information.

2.4 Presentation and functional currency

These financial statements are presented in Pakistani Rupees, which is also the Company's functional currency. All figures have been rounded off to the nearest of rupees, unless otherwise stated.

2.5 Use of estimates and judgments

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

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

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

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

Judgments are made by the management in the application of approved accounting standard, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

2.6 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the date mentioned in the paragraph below:

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

Operating fixed assets - tangible

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any except for lease hold land which is stated at cost. Depreciation is charged to income applying the straight line method at the rates specified in the note 4.1. Depreciation on additions is charged from the date at which asset is available for use and on disposals up to the date of disposal.

Normal repairs & maintenance are charged to income as and when incurred. Major renewals and improvements if any are capitalised when it is probable that respective future economic benefits will flow to the Company.

An item of fixed assets is derocognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of relevant assets. These are included in the profit and loss account.

The carrying amount of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account .Reversal of impairment loss is restricted to the original cost of the asset.

Capital work-in-progress

Capital work-in-progress is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

3.2 Long term deposits

These are stated at cost.

3.3 Stores and consumables

These are stated at moving average cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

SALAEUDDIN & CO. CHARTERED ACCOUNTANTS KARACHI

3.4 Short term investment

These are stated at ammortized cost less impairment if any.

3.5 Trade debts

Trade debts are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made for debts considered doubtful.

3.6 Advances, deposits, prepayments and other receivables

These are stated at cost.

3.7 Cash & cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with bank. The fair value of cash and cash equivalents approximates their carrying amount.

3.8 Staff retirement benefits - contribution plan

The Company operates an approved provident fund scheme for its employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% of basic salary.

3.9 Borrowings and borrowing costs

All borrowings are recorded at the proceeds received net of transaction cost. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to income in the period in which they are incurred.

3.10 Creditors, accrued and other liabilities

Liabilities for creditors, accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to Company.

3.11 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

3.12 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after considering tax credits and rebates, if any. Being the exporters of the software, the Company's revenue from software export is exempt from tax.

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

SALAUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

Deferred

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

Deferred tax liabilities are recognized for all temporary differences. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefits will be realized.

3.13 Foreign currency translation

Pakistan rupee (PKR) is the functional currency of the Company. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date except for those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rate of exchange prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Exchange gain and loss on translation are taken to profit and loss account.

3.14 Revenue recognition:

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

- Services income are recorded at the time when services are rendered.
- Return on investments is recognised on effective rate method.

3.15 Other financial assets and liabilities

All other financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and financial liabilities are included in the profit and loss account of the current year. All financial assets and financial liabilities, other than disclosed above, are carried at amortized cost. The fair value of these approximate their carrying amount.

3.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously and the same is required or permitted by IAS / IFRS or interpretations thereof.

3.17 Related party transactions

All transactions with related parties are priced on an arm's length basis.

SALAHUDDIN & CO. CHARTERED ACCOUNTANTS KHI

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

		NOTE	2013	2012
			--------Rupees-------	
4	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets - tangible	4.1	726,991,060	294,859,504
	Capital work in progress	4.2	70,212,884	64,434,404
			797,203,944	359,293,608

4.1 OPERATING FIXED ASSETS - TANGIBLE

Description	Leasehold land	Building on Leasehold land	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Vehicle Trackers	Boat	Total
COST									
Balance as at 01 July 2011	40,653,968	144,209,704	22,687,242	62,314,242	46,969,746	109,555,080	1,904,525	8,799,623	437,094,130
Additions	-		355,526	10,754,842	15,484,610	59,278,192	625,716	1,322,356	87,821,242
Disposals	-	-	-	(4,030,168)		(3,216,718)	-	-	(7,246,886)
Balance as at 30 June 2012	40,653,968	144,209,704	23,042,768	69,038,916	62,454,356	165,616,554	2,530,241	10,121,979	517,668,486
Balance as at 01 July 2013	40,653,968	144,209,704	23,042,768	69,038,916	62,454,356	165,616,554	2,530,241	10,121,979	517,668,486
Additions		110,273,245	9,482,900	54,053,570	35,760,136	295,540,242	925,680	-	506,035,773
Disposals	-	-	-	(5,263,329)	(7,240,543)	(31,314,250)	-	-	(43,818,122)
Balance as at 30 June 2013	40,653,968	254,482,949	32,525,668	117,829,157	90,973,949	429,842,546	3,455,921	10,121,979	979,886,137
DEPRECIATION									
Balance as at 01 July 2011	-	31,846,309	9,099,806	41,623,845	35,958,527	51,714,496	764,665	4,399,812	175,407,460
Charge for the year	-	7,210,485	2,304,277	11,655,153	11,752,544	16,561,655	506,048	1,012,198	51,002,360
On disposals	-	-	-	(1,135,137)	-	(2,465,701)	-	-	(3,600,838)
Balance as at 30 June 2012	-	39,056,794	11,404,083	52,143,861	47,711,071	65,810,450	1,270,713	5,412,010	222,808,982
Balance as at 01 July 2012	-	39,056,794	11,404,083	52,143,861	47,711,071	65,810,450	1,270,713	5,412,010	222,808,982
Charge for the year	-	7,669,957	2,512,498	8,338,036	14,801,324	26,589,748	666,940	1,012,198	61,590,701
On disposals	-	-	-	(1,206,218)	(7,239,113)	(23,059,275)		-	(31,504,606)
Balance as at 30 June 2013	-	46,726,751	13,916,581	59,275,679	55,273,282	69,340,923	1,937,653	6,424,208	252,895,077
CARRYING AMOUNT - 2012	40,653,968	105,152,910	11,638,685	16,895,055	14,743,285	99,806,104	1,259,528	4,709,969	294,859,504
CARRYING AMOUNT - 2013	40,653,968	207,756,198	18,609,087	58,553,478	35,700,667	360,501,623	1,518,268	3,697,771	726,991,060
RATE OF DEPRECIATION (%)	0%	5%	10%	20%	33%	10%	20%	10%	

4.2 CAPITAL WORK IN PROGRESS

	2013	2012
	--------Rupees-------	
Civil works	59,195,234	59,1[illegible],104
Advance against capital expenditure	11,017,650	4,848,000
	70,212,884	64,[illegible]

Sindh Revenue Board Appellate Tribunal Sales Tax on Services

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

	NOTE	2013	2012
		--------Rupees-------	
5 CLUB MEMBERSHIP RIGHTS			
Karachi golf club		3,634,400	3,634,400
Marina club		900,000	900,000
Dream world resorts		750,000	750,000
		5,284,400	5,284,400

6 SHORT TERM INVESTMENT

The Company had invested in term deposit with a banking company amounting to Rs.30,000,000 from profit ranging to 8% to 10.75% (2013- 8.75% to 10.75%) per annum. During the year these term deposit investments are matured on various dates.

7 LOAN AND ADVANCES	2013	2012
Considered Good :		
Loan to Staff	8,653,592	7,903,428
Others		825,768
	8,653,592	8,729,196

8 PREPAYMENTS AND OTHER RECEIVABLES	2013	2012
Prepayments	4,004,857	439,722
Mark up receivable	1,103,427	919,973
Other receivables	408,963	193,780
	5,517,247	1,553,475

9 CASH AND BANK BALANCES	2013	2012
Cash in hand	1,226,465	781,650
Cash with banks		
- in foreign currency - current accounts	58,084	55,642
- in local currency - current accounts	246,302	151,832
- in local currency - savings account	115,107,937	94,803,057
	116,640,788	95,792,181

10 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Fully paid ordinary shares of Rs. 10 each

Number of ordinary shares 2014	2013			
600,000	600,000	Issued for cash	6,000,000	6,000,000

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

Axact FZ LLC Dubai holds 599,998 (2013: 599,998) ordinary shares of the company at the year end.

11 LONG TERM LOAN FROM DIRECTOR

This represents interest free loan obtained from the Directors of the company at the time of its inception. The Company will repay the loan from time to time considering its own financial condition and availibility of funds.

	NOTE	2014	2013
		---------Rupees---------	
12 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors and accrued expenses		93,125,279	10,620,517
Others		13,961,433	9,188,390
Advance from customer - From Holding Company		71,535,441	-
		178,622,153	19,808,907

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

13 CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

There are no outstanding contingencies as at June 30, 2014.

13.2 COMMITMENTS

There are no outstanding commitments as at June 30, 2014.

14 DIRECT AND ADMINISTRATIVE EXPENSES

	NOTE	2013	2012
		--------Rupees-------	
Salaries and benefits		843,531,741	563,910,801
Health Care Expenses		29,575,881	17,370,185
Repairs and maintenance		26,455,922	88,157
Communication		17,792,545	15,671,767
Utilities		34,032,370	24,102,061
Rent expenses		15,785,647	6,046,964
Printing and stationery		9,015,463	4,734,496
Depreciation		61,590,701	51,002,360
Miscellaneous Expenses		1,097,945	1,054,714
Security expenses		922,242	302,597
Facilities expenses		1,185,835	1,871,456
Kitchen Expenses		38,653,969	27,075,624
Housekeeping charges		13,890,295	6,683,888
Consumable items		7,420,456	4,143,883
Entertainment		27,966,017	16,002,446
Newspapers and periodicals		140,544	98,870
Insurance		2,913,706	1,978,764
Transportation expenses		79,718,569	40,867,534
Travelling & hotelling expenses		6,980,892	1,758,647
Generator fuel expenses		7,063,911	4,167,644
Training and development		119,419	94,480
Marketing and sales promotion			90,338,748
Commission			100,000
Legal and professional charges		6,999,851	4,772,200
Auditors' remuneration	14.1	420,000	144,000
Fees and subscription		506,851	565,397
Donation		1,890,175	
		1,235,670,949	884,947,703

14.1 Auditors' remuneration

	2013	2012
Audit fees	400,000	400,000
Other services	20,000	20,000
	420,000	420,000

SALAHUDDIN & CO.
KARACHI
CHARTERED ACCOUNTANTS

Appellate Tribunal
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19.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, it primarily arises from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The Company is not materially exposed to credit risk as almost all of its receivables are with related party.The maximum exposure to credit risk at the reporting date is as follows:

	NOTE	2014	2013
		------Rupees------	
Short Term Investment		30,000,000	20,000,000
Loan and advances - considered good		8,653,892	8,729,196
Prepayments and other receivables		5,517,247	1,553,565
Cash and bank balances		116,640,788	95,792,181
		160,811,927	126,074,942

'A'

Bank balances are held only with reputable banks with good credit ratings.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

'B'

19.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to interest rate risk and foreign exchange risk only.

18.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company has adopted appropriate policies to minimize its exposure to this risk.

18.3.2 Foreign exchange risk

Foreign exchange risk is the risk of loss through change in foreign exchange rates. The Company is exposed to foreign exchange due to transactions denominated in foreign currencies.

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS

20 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of all financial assets and liabilites reflected in the financial statements approximate their fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. However, the Company does not hold any quoted financial instrument.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39 'Financial Instruments: Recognition and Measurement'.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

21 Correspondance Figure

Reclassification			Nature	Rupees
Note #	From	To		
4.2	Loan and Advances	Capital Work in Progress	Capital Work In Progress	4,848,000

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 5 MARCH 2018 by the Board of directors of the Company.

23 GENERAL

Figures have been rounded off to the nearest rupee.

Appellate Tribunal Sindh Revenue Board Sales Tax on Services

Chief Executive

Director

SALAHUDDIN & CO. KARACHI CHARTERED ACCOUNTANTS