Golden Arrow
SELECTED STOCKS FUND LIMITED

2017

annual report

Partner with AKD Profit from the Experience

Managed by: AKD Investment Management Ltd.

CONTENTS

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)
Ms. Noureen Nadir Ali (Secretary)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT
Ms. Noureen Nadir Ali

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 Shahra-e-Faisal,
Karachi-74400.

AUDITORS
Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharah-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,
Shahrah-e-Iraq, Saddar, Karachi.
Tel: 021-35662023-24

RATING - GASSFL
PACRA: MFR 4-Star (5-year period)
PACRA: MFR 4-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 Fourth Annual General Meeting of Golden Arrow Selected Stocks Fund Limited ("the Company") will be held on 27th October, 2017 at 9:30 a.m. at the 1st Floor Hall of The Institute of Chartered Accountant of Pakistan, Clifton, Karachi to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on October 15, 2016.

2. To review, consider and adopt the Audited Accounts together with the Directors' and Auditors' Report for the year ended June 30, 2017.

3. To approve the payment of final cash dividend @ 22% i.e. Rs.1.10 per share of Rs.5/- each as recommended by the Board of Directors. This is in addition to first interim cash dividend @22% i.e. Rs.1.10 per share of Rs.5/- each announced on October 21, 2016 second interim cash dividend @22% i.e. Rs.1.10 per share of Rs.5/- each announced on February 17, 2017 and third interim cash dividend @22% i.e. Rs.1.10 per share of Rs.5/- each announced on April 25, 2017 making a total cash dividend @ 88% i.e. Rs.4.40 per share of Rs.5/- each for the year ended June 30, 2017.

4. To appoint Auditors of the Company and to fix their remuneration for the year ending June 30, 2018. The present Auditors M/s Deloitte Yousuf Adil, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

5. To consider the shareholders approval for conversion of the Company (Golden Arrow Selected Stocks Fund Limited) from a Closed End Fund (Investment Company) to an Open Ended Scheme.

OTHER BUSINESS

6. 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 06, 2017

NOTES:

1. The share transfer books of the Company will remain closed from October 20, 2017 to October 27, 2017 (both days inclusive). Physical Scrips transfers / CDS transaction IDs received in order at the office of Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, at the close of the business day on October 19, 2017 will be treated in time for the entitlement to dividend and attend 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, JWAFFS 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 Computerized 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, Auditor's and Director's 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 attached standard request form (also available on the Company's website: www.akdinvestment.com) and send us 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) numbers 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, JWAFFS 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)

Pursuant to the requirement of Section 242 of the New Companies Act, 2017, shareholders are MANDATORILY required to provide their bank account detail to receive their cash dividend directly in to their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's Share Registrar, giving particulars of their bank account detail. In the absence of a member's valid bank account detail by October 31, 2017, the Company will be constrained to withhold dispatch of dividend warrants to such members.

9. REVISED TREATMENT OF WITHHOLDING TAX

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2017, effective July 01, 2017, a new criteria for withholding tax has been introduced by Federal Board of Revenue ("FBR"). According to the revised criteria, tax is to be withheld based on 'Filer' and 'Non-Filer' status of shareholders @ 15% and 20% respectively where 'Filer' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http:// www.fbr.gov.pk/) or a holder of "Taxpayer's Card" and 'Non-Filer' means a person who is not a filer.

Furthermore, according to recent clarification provided by the FBR; in case a Folio/CDS Account is jointly-held is to be treated separately as Filer or Non-Filer. In terms of the said clarification; tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal portions, except where shareholding proportion of joint-holder(s) is pre-defined as per the records of the Company's Share Registrar and thus tax rates are applied in line with respective proportions.

Those shareholders who are holding Folio/CDS jointly; are requested to notify (in writing) any change in their shareholding proportions to Company's Share Registrar (in case of physical shareholding) or their Participants/CDC Investor Account Services so that their revised shareholding proportions are considered by the Company in all prospective dividend payouts of the Company, if any.

10. 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.

DIRECTORS' REPORT

The Board of Director of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its Audited Financial Statement for the fiscal year ended June 30, 2017.

Fund's Financial Performance

For FY'17, the return of the Golden Arrow Selected Stocks Fund was 49.86% compared to the KSE-100 Index return of 23.24%, thus significantly outperforming KSE-100 index benchmark by 26.62%.

Dividend

The Board of Directors of Golden Arrow Selected Stocks Fund Limited has pleasure in recommending final cash dividend at the rate of 22% i.e. Rs.1.10 per share of Rs.5/- each (subject to the approval of the shareholders in the Annual General Meeting). This in addition to first interim cash dividend @22% i.e. Rs.1.10 per share announced on October 21, 2016, second interim cash dividend @22% i.e. Rs.1.10 per share announced on February 17, 2017 and third interim cash dividend @22% i.e. Rs.1.10 per share announced on April 25, 2017 making a total cash dividend @ 88% i.e. Rs.4.40 per share of Rs.5/- each for the year ended June 30, 2017 (2016: 21% i.e. Rs.1.05 per share).

Macro Perspective

Pakistan's real GDP accelerated and reached a decade high of 5.3% in FY17 up from 4.5% in FY16. This growth was led by private sector credit growth, higher foreign investment, improving agricultural output and subdued inflation. At the same time, China Pakistan Economic Corridor (CPEC); improved law and order; and removal of supply side bottlenecks also added to the growth. The large scale manufacturing sector exhibited a growth of 5.6% during July-May 17 as opposed to 3.4% during the same period last year. This was particularly led by growth in steel, cement, automobiles, electronics, sugar and pharmaceutical sectors.

The performance of the agricultural sector has been encouraging in FY17 as it achieved its target growth rate of 3.5% with larger area under cultivation. On the contrary, the service sector performance has largely remained lackluster at 6% YoY in FY17.

Consumer Price Index (CPI) during FY17 clocked in at 4.20% as compared to 2.90% in FY16. The FY17 CPI remained within the SBP target range of 4.5%-5.5% and consequently State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75% during this period. International oil prices (WTI) dwelled in the range of $42-$53 per barrel during FY17, positively impacted by production cuts announced by OPEC. The next OPEC meeting will take place in November 2017 where key decisions of supply cuts will have a significant impact on the oil prices in future.

According to SBP, the current account deficit (CAD) clocked in at USD 12.1 billion (4% of GDP) in FY17 against USD 4.9 billion (1.7% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 17.7% YoY, with sectors including automobiles, minerals, food, and equipment demand from CPEC related projects.

That said exports posted a decline of 1.4% in FY17 owing to lack of competitiveness with a strong PKR-USD parity against regional currencies. In this regard, we expect the Government of Pakistan's (GoP) incentive package for textile may provide some cushion to dwindling exports. At the same time the Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

Remittances on the other hand have also been discouraging in FY17 and stood at USD 19.3 billion, down 3.08% YoY from increase of 6.39% YoY in FY16 mainly due to the economic slowdown in the Gulf region. The total liquid foreign exchange reserves of Pakistan reached USD 21.4 billion (4.2 months import cover) by FY17 end, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we see pressure on the reserves emanating from external repayments (cumulative USD 3.5-4.5 billion) under Eurobond, Paris Club, IMF and China SAFE debt retirement, which will commence from FY18. The external account is expected to worsen and reach 7% of GDP from current 6% due to upcoming repayments and poor trade balance.

Due to improved law and order situation, better availability of energy and initiation of mega projects under CPEC, FDI in FY17 has grown by 4.6% YoY to reach USD 2.4 billion against USD 2.3 billion in FY16. Among the sectors, Power and Cement have witnessed the highest net inflow of FDI of USD 795.4 million and USD 467.7 million respectively. Other major increase came from CPEC driven investments worth USD 1,234 million and from Netherlands under the acquisition of ENGRO Foods by Friesland Campina worth USD 456.3 million.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide a much needed support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, decline in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view.

On the fiscal front, Federal Board of Revenue (FBR) has collected total tax revenue of PKR 3.38 trillion in FY17 but failed to achieve its revised target of PKR 3.5 trillion in FY17. The Government has set tax collection target of PKR 4 trillion for FY18 and intends to implement structural measures including tax amnesty schemes for Real Estate and offshore accounts to improve tax collection.

Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. Moreover, fiscal deficit is targeted to be 3.8% of GDP in FY18. The target seems ambitious in our opinion and would need additional tax measures and spending controls which can be difficult to implement during the election year.

Equity market Review

FY'17 has been quite an eventful year for Pakistani equity market. The KSE100 index started the year at 37,887.84 points and reached a high of 52,876 points, up 46% in May FY'17, whereas it ended the year at 46,565.29 points, posting a return of 23.24% for the fiscal year.

In addition to company and sector specific developments, the broader equity market was driven by major economic, structural and political themes throughout the year; that will continue to shape the future of our capital markets going forward.

Successful completion of IMF's three year Extended Fund Facility (EFF)-supported program ushered in a new era of optimism on the economic front. Under the program the country's GDP growth increased, fiscal deficit was curtailed with structural reforms initiated and foreign currency reserves recovered. However the optimism was short lived as the GoP started to deviate from the policy of fiscal consolidation leading to the re-emergence of macroeconomic vulnerabilities and circular debt in power sector.

Furthermore

Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy;

- Pakistan's inclusion into MSCI EM index, increased the visibility of Pakistani equities to global portfolio managers;
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years;
- 40% stake sale in the management of PSX to a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company and Habib Bank;
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing;
- A PKR 180 billion package to boost exports;

All of these factors renewed investors confidence, which resulted in increased volumes and index reaching new high in 1HFY17. However, in 2HFY17 political uncertainties dominated the scene.

Following the Supreme Court's verdict on Panama Papers Case, the Prime Minister was disqualified under article 62 and 63 of the Constitution of Pakistan. However, it is pertinent to mention that despite disqualification of the PM, the ruling party (PML-N) stays in power.

Uncertainty of any sort, adversely affects the capital markets, because of its impact on the confidence of investors in the socio-economic policy. The second half of FY'17 experienced decline in volumes and index due to such phenomenon.

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; and

(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	4	0
4	Mr. Aurangzeb Ali Naqvi	4	4	0
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:

Directors	Purchases (No. of Shares)	Bonus & Right (No. of Shares)	Sales (No. of Shares)
Director			
Mr. Javaid Bashir Sheikh	-	-	-
Mr. Imran Motiwala	-	-	-
Ms. Anum Dhedhi	-	-	-
Mr. Aurangzeb Ali Naqvi	-	-	-
Mr. Muhammad Siddiq Khokhar	-	-	-
Mr. Abdul Karim	-	-	-
Mr. Muzammil Abdul Karim	-	-	-
Company Secretary			
Mr. Muhammad Yaqoob	-	-	80,000

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" in performance period of 1 year, 3 year and 5 year category on December 07, 2016, good performance' viz a viz other closed end mutual funds.

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, 2018, subject to the approval of the Shareholders in the Annual General Meeting.

FUTURE OUTLOOK

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.4% in the last 4 years with FY17 GDP growth of 5.3% the highest since FY07. IMF projects a GDP growth of 5.5% in FY'18 mainly owing to resolution of supply side bottlenecks and materialization of CPEC projects.

Pakistani equity market, in our opinion, offer selective opportunities for value seeking investors and after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, and increasing business confidence.

The KSE-100 index currently trades at a forward PE of ~8.03x with a dividend yield of 6.55%, which offers a significant discount compared to MSCI Emerging Markets Index (~14x) and regional economies (~14x-17x).

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 shareholders 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, 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 relevant lawsuit is pending adjudication at the Honorable Sindh High Court.

The future operations of the Company are dependent on the outcome of the above referred Constitutional Petition. The management and the Company's legal counsel are of the view that the scheme of Regulation 65 in the way it has been framed is not in accordance with the principles of Company Law as well as the Constitution of Pakistan. Furthermore, they are confident that the Honorable Sindh High Court will strike down Regulation 65 or direct SECP to devise a more practical implementation scheme. However, the management believes that, in the worst case scenario, the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realisable / settlement amounts of the assets and liabilities of the Company. Accordingly, these financial statements have been prepared on a going concern basis.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 20, 2017

ڈائریکٹرز کی رپورٹ

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ (GASSFL) کے بورڈ آف ڈائریکٹرز 30 جون 2017 کو اختتام پذیر سال کی آڈٹ شدہ مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈ کی مالیاتی کارکردگی

مالی سال -17 کے لیے گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ کا منافع KSE-100 انڈیکس کی 23.24 فیصد کے مقابلے 49.86 فیصد تھا، اس طرح سے KSE-100 کے کارکردگی کے معیار (benchmark) کو 26.62% فیصد تک پیچھے چھوڑ دیا تھا۔

منافع منقسمہ

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹیڈ (GASSFL) کے بورڈ آف ڈائریکٹرز نے 20 ستمبر 2017 کے منعقدہ اجلاس میں 30 جون 2017 کو اختتام پذیر سال کے لیے 5 روپے کے شیئر پر حتمی منافع منقسمہ بحساب 1.10 روپے (مہساب 22 فیصد) فی شیئر کی منظوری دی ہے (جو کہ سالانہ اجلاس سہ عام میں شیئر ہولڈرز کے منظوری سے مشروط ہے)۔

یہ منافع منقسمہ 30 جون 2017 کو ختم شدہ سال کے لیے پہلا عبوری نقد منافع منقسمہ 22 فیصد کے حساب سے 5 روپے کے ہر ایک شیئر پر 1.10 روپے 21 اکتوبر، 2016 کو علان کردہ، دوسرا عبوری نقد منافع منقسمہ 22 فیصد کے حساب سے 5 روپے کے ہر ایک شیئر پر 1.10 روپے 17 فروری 2017 کو اعلان کردہ، اور تیسرا عبوری نقد منافع منقسمہ 22 فیصد کے حساب سے 5 روپے کے ہر ایک شیئر پر 1.10 روپے 25 اپریل 2017 کو اعلان کردہ منافع کے علاوہ ہے۔ اس طرح کل نقد منافع منقسمہ 88 فیصد کے حساب سے 5 روپے کے ہر ایک شیئر پر 4.40 روپے بنتا ہے۔ (1.05 فی شیئر 2016: 21% i.e.)

میکرو پرسپیکٹیو

پاکستان کی حقیقی مجموعی قومی پیداوار کی رفتار میں خاطر خواہ تیزی آئی اور مالی سال - 16 کی 4.5 فیصد سے بڑھ کر مالی سال -17 میں 5.3 فیصد پر، جو دہائی کی بلند ترین سطح ہے، پر پہنچ گئی۔ اس نمو کی وجہ نجی شعبے کو قرضوں کی فراہمی میں اضافہ، بلند غیر ملکی سرمایہ کاری، زرعی پیداوار میں بہتری اور کم ہوتا ہوا افراطِ زر تھیں۔ اسی دوران، چین پاکستان اقتصادی راہداری (CPEC)؛ امن وامان کی بہتر ہوتی صورتحال؛ رسد کے معاملات کو درپیش رکاوٹوں کو دور کرنے نے بھی نمو میں اضافہ کیا۔ بڑے پیمانے کے پیداواری شعبے (LSM) نے گذشتہ سال کی 3.4 فیصد نمو کے مقابلے میں مالی سال۔17 کی جولائی-مئی کے دوران 5.6 فیصد نمو دکھائی۔ اس کی خاص وجہ اسٹیل، سیمنٹ، گاڑیوں، الیکٹرانکس، شکر اور دواسازی کے شعبے میں ترقی تھی۔

مالی سال–17 میں زرعی شعبے کی کارکردگی حوصلہ افزا رہی جیسا کہ اس نے نمو کا 3.5 فیصد ہدف زیادہ رقبے کو زیر کاشت لا کر کیا۔ اس کے برخلاف، مالی سال -17 میں خدمات کے شعبے کی کارکردگی زیادہ تر 6 فیصد کے ساتھ مدھم رہی۔

صارف کی قیمت کا انڈیکس (CPI) نے مالی سال -16 کے 2.90 فیصد کے مقابلے میں مالی سال۔17 میں یہ 4.20 فیصد دکھایا۔ مالی سال–17 میں CPI بینک دولت پاکستان کے مقرر کردہ ہدف 4.5–5.5 فیصد کے اندر رہا اور اس کے نتیجے میں اس مدت میں بینک دولت پاکستان (SBP) نے اپنا پالیسی نرخ بنا کسی تبدیلی کے 5.75 فیصد رکھا۔ سال–17 میں OPEC کے پیداوار میں کمی کے اعلان کے مثبت اثرات عالمی تیل کی قیمتیں (WTI) پر پڑیں جو 53–42 امریکی ڈالر فی بیرل کے درمیان رہیں۔ OPEC کا اگلا اجلاس نومبر 2017 میں ہو گا جس میں فراہمی (تیل کی پیداوار) میں کمی کے بارے میں اہم فیصلے ہوں گے جس کا خاصہ اثر مستقبل کی تیل کی قیمتوں پر پڑے گا۔

SBP کے مطابق، مالی سال -17 میں جاری کھاتے کا خسارہ (CAD) 12.1 ارب امریکی ڈالر (GDP کا 4 فیصد) دکھایا جبکہ گذشتہ سال اسی مدت میں یہ 4.9 ارب امریکی ڈالر (GDP کا 1.7 فیصد) تھا۔ اس غیر معمولی اضافہ کی اصل وجہ درآمدات میں سال بہ سال 17.7 فیصد کا اضافہ ہے جس میں گاڑیاں، معدنیات، غذائیات اور CPEC سے متعلق منصوبوں کے لیے سازوسامان کی طلب شامل ہیں۔

مذکورہ برآمدات میں مالی سال -17 میں 1.4 فیصد کمی واقع ہوئی جس کی وجہ PKR-USD کی مضبوط مبادلہ کی علاقائی کرنسیوں سے مسابقت کی کمی رہی۔ اس سلسلے میں، ہم توقع کرتے ہیں کہ حکومت پاکستان کا ٹیکسٹائل کے لیے ترغیبی پیکیج گرتی ہوئی برآمدات کو سہولت پہنچائے۔ اسی کے ساتھ کچھ چیزوں کی درآمدات کی حوصلہ شکنی کے لیے حکومت نے ان کی درآمد پر 100 فیصد نقد رقم رکھنے کی پابندی نافذ کردی ہے۔

دوسری جانب مالی سال -17 میں ترسیل زر کی صورتحال بھی حوصلہ شکن رہی جو کہ 19.3 ارب امریکی ڈالر ہیں جو سال بہ سال 3.08 فیصد کم رہی جس کی وجہ خلیجی خطے میں معاشی سست روی تھی، جبکہ مالی سال -16 میں ترسیل زر نے سال بہ سال فیصد 6.39 اضافہ دیکھا گیا تھا۔ مالی سال -17 کے اختتام پر پاکستان کے کل سیال غیر ملکی زرمبادلہ کے ذخائر 21.4 ارب امریکی ڈالر پر پہنچ گئے جو کہ 4.2 ماہ کی درآمدات کے لیے کافی تھے جبکہ اکتوبر 2016 میں ان ذخائر کی بلند ترین سطح 24.02 ارب امریکی ڈالر تھی۔ آگے بڑھتے ہوئے، بیرونی ادائیگیوں (مجموعی 3.5- 4.5 ارب امریکی ڈالر) کے نتیجے میں ان ذخائر پر ہم دیکھ رہے ہیں جو یوروبانڈ، پیرس کلب، IMF اور چین کے SAFE قرضوں کی مدتِ اختتام پر ادائیگیاں ہیں جن کا مالی سال-18 سے آغاز ہوگا۔ آنے والی ادائیگیوں اور کمزور تجارتی توازن کے سبب بیرونی کھاتہ کی صورتحال خراب ہوگی اور یہ مجموعی قومی پیداوار کے موجودہ 6 فیصد سے بڑھ کر 7 فیصد ہو جائے گا۔

امن وامان کی بہتر ہوتی صورتحال، توانائی کی بہتر فراہمی اور CPEC کے تحت بڑے منصوبوں کا آغاز کی بناء پر FDI مالی سال-17 میں 4.6 فیصد اضافے کے ساتھ 2.4 ارب امریکی ڈالر پہنچ گئی جو مالی سال- 16 میں یہ 2.3 ارب امریکی ڈالر تھی۔ FDI کا اندرونی بہاؤ مختلف سیکٹرز میں سے سب سے زیادہ توانائی اور سیمنٹ کے سیکٹرز میں رہا اور اس کی مالیت بالترتیب 795.4 ملین امریکی ڈالر اور 467.7 ملین امریکی ڈالر رہی۔ اور مزید بڑا اضافہ CPEC کی وجہ سے 1,234 ملین امریکی ڈالر آئے اور نیدرلینڈ کی فیرزلینڈ کمپنیا کے اینگرو فوڈز کی مالکانہ حقوق حاصل کرنے کے سبب 456.3 ملین امریکی ڈالر آئے۔

CPEC کی سرمایہ کاری (کے منصوبے) پاکستان میں سرمایہ کاری کو لانے میں بہت اہم کردار ادا کرتا رہے گا اور وہ بیرونی کھاتے کی بگڑتی ہوئی صورتحال میں انتہائی مطلوبہ مدد فراہم کرے گا۔ ہماری رائے میں بیرونی محاذ پر (تیل کی قیمتوں میں اضافہ، ترسیل زر میں کمی، بگڑتا ہوا تجارتی توازن) PKR-USD کے شرح مبادلہ کے لیے ایک بڑا خطرہ ہے۔

اقتصادی محاذ پر، مالی سال -17 میں فیڈرل بورڈ آف ریونیو (FBR) نے 3.38 کھرب روپے کے محصولات کی وصولیابی کی لیکن اسی مدت میں ترمیم شدہ 3.5 کھرب روپے ہدف کی وصولیابی کرنے میں ناکام رہا۔ مالی سال -18 کے لیے گورنمنٹ محصولات کی وصولیابی کا ہدف 4 کھرب روپے مقرر کیا ہے اور اس کا ارادہ ہے کہ محصولات کی وصولی میں بہتری کے لیے تنظیمی اقدامات کا نفاذ کرے بشمول رئیل اسٹیٹ اور ممالک غیر میں کھاتے رکھنے والوں کے لیے ٹیکس کی معافی کی اسکیمیوں کے۔

علاوہ ازیں، توانائی کے سیکٹر میں گردشی قرضوں کی صورتحال پھر سے خطرے کی گھنٹی بجانے کی سطح پر پہنچ چکی ہے اور اس میں اضافے کو روکنے کے لیے ٹھوس اقدامات لینے کی ضرورت ہے۔ مزید یہ کہ، سال-18 میں اقتصادی خسارے کا ہدف مجموعی قومی پیداوار کا 3.8 فیصد ہو گا۔ ہمارے خیال میں یہ محنت طلب ہدف ہے اور اس کے لیے اضافی ٹیکس کے اقدامات اٹھانے ہوں گے اور اخراجات پر کنٹرول جس کا نفاذ الیکشن کے سال میں مشکل ہو گا۔

ایکویٹی (Equity) مارکیٹ کا جائزہ

مالی سال-17 پاکستان کی ایکویٹی مارکیٹ کے لیے واقعات سے بھرپور رہا۔ KSE100 انڈیکس نے مالی سال کا آغاز 37,887.84 پوائنٹس سے کیا اور مئی 2017 میں 46 فیصد اضافے کے ساتھ 52,876 پوائنٹس کی بلند سطح پر پہنچ گیا، جبکہ سال کا اختتام 46,565.29 پوائنٹس پر ہوا، مالی سال کے لئے منافع 23.24 فیصد رہا۔

کمپنی اور سیکٹر کی مخصوص ترقی کے علاوہ، ایکویٹی مارکیٹ کے محرک، پورے سال بھر بڑے، معاشی، ،ڈھانچاتی اور سیاسی موضوعات رہے؛ جو آگے بڑھتی ہوئی سرمایہ کی منڈیوں کے مستقبل کو نئی شکل دیتا رہے گا۔

IMF کے تین سالہ توسیع شدہ فنڈ کی سہولت (EFF) کا معاونت کردہ پروگرام کی کامیاب تکمیل نے معیشت کے محاذ پر امید کے نئے عہد کی نشاندہی کی۔ اس پروگرام کے تحت ملک کی مجموعی قومی پیداوار کی ترقی بڑھ گئی، شروع کردہ ڈھانچاتی اصلاحات کی بناء پر اقتصادی خسارہ کم ہو گیا اور غیر ملکی زرِ مبادلہ بحال ہو گئے۔ تاہم یہ پر امیدی کچھ مدت ہی رہی کیونکہ گورنمنٹ نے اقتصادی پالیسی کے استحکام کے پروگرام سے انحراف کرنا شروع کر دیا ہے جس کی وجہ سے کلّی معیشت کے عدم تحفظ اور گردشی قرضوں کے خطرات ابھرنا شروع ہو گئے ہیں۔

مزید براں

- CPEC منصوبوں کی مثبت پیش رفت جس سے توقع ہے توانائی کی قلت کم ہو گی اور معیشت کی قوت دوبارہ بحال ہو گی۔
- پاکستان کی MSCI انڈیکس کی ابھرتی ہوئی منڈی میں شمولیت سے، عالمی پورٹ فولیو مینجرز کو پاکستان کی ایکویٹی مارکیٹ کی موجودگی کا احساس بڑھ گیا ہے۔
- OPEC کے تیل پیدا کرنے والے ممالک کے 8 سالوں میں پیداوار میں کٹوتی پر اتفاق سے تیل کی قیمتوں میں استحکام۔
- PSX کے 40 فیصد کے انتظامی حق کی چائنا فیوچرز ایکسچینج، شنگھائی اسٹاک ایکسچینج، شین زین اسٹاک ایکسچینج، پاک چائنا انویسٹمنٹ کمپنی اور حبیب بینک کے کنسورشیم کو فروخت۔
- پاکستان میں صارفین کے اخراجات کی تجدید اور صارفین کی سرمایہ کاری میں اضافہ کے پس منظر میں پاکستان میں گاڑیوں کے سیکٹر کی فروخت میں معمولی اضافہ۔
- برآمدات میں اضافے کے لیے 180 ارب روپے کا پیکیج۔

سال 2017 کی پہلی ششماہی میں ان تمام عناصر نے سرمایہ کاروں کی تجوید کی جس کا نتیجہ بڑھا ہوا حجم اور انڈیکس کی نئی بلند ترین سطح ہے۔ تاہم، سال 2017 کی دوسری ششماہی میں سیاسی غیر یقینی کی صورتحال منظر نامے پر حاوی رہی۔

عدالتِ عظمیٰ کے، پنامہ کے مقدمے کے عدالتی فیصلے کے بعد، پاکستان کے آئین کی شق نمبر 62 اور 63 کے تحت وزیرِ آعظم نا اہل ہو گئے تھے۔ تاہم اس سے متعلق اس کا ذکر کرنا ضروری ہے کہ باوجود وزیرِ آعظم کی نا اہلی کے، حکمراں جماعت (PML-N) اقتدار میں ہے۔

کسی بھی قسم کی غیر یقینی، سرمایہ کی منڈی کو بہت بری طرح سے متاثر کرتی ہے کیونکہ یہ سماجی-اقتصادی پالیسی پر سرمایہ کار کے اعتماد کو متاثر کرتی - ایسی صورتحال سے سال 2017 کی دوسری ششماہی حجم اور انڈیکس کی کمی سے دوچار ہوئی۔

ادارتی اور مالیاتی رپورٹنگ ڈھانچے کا بیان

الف) کمپنی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اسکے معاملات کی حالت، عملی امور کے نتائج، کیش فلو اور ملکیت (ایکوٹی) میں تبدیلی بہتر طور پر پیش کرتے ہیں۔

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

ج) 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۔

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

ہ) اندرونی کنٹرول کا نظام کا ڈیزائن مضبوط ہے اور اسکا موثر نفاذ اور نگرانی کی گئی ہے

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

ز) لسٹنگ ضوابط میں ادارتی نظم وضبط کی دی گئی تفصیلات کی بہترین مشقوں سے کوئی مدی انحراف نہیں کیا گیا ہے۔

ح) محصولات، ڈیوٹیز، لیویز اور اخراجات، اگر کوئی ہے تو، کی مد میں دستوری ادائیگیوں کے بقایاجات کو مالیاتی دستاویزات میں پوری طرح ظاہر کیا گیا ہے۔

ط) ڈائریکٹرز کی بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے اجلاس میں شرکت کی تفصیل درج ذیل ہے:

	ڈائریکٹر کا نام	اجلاس کی تعداد		
		منعقدہ	شرکت کی	رخصت کی منظوری
1	جناب جاوید بشیر شیخ	4	4	0
2	جناب عمران موتی والا	4	4	0
3	محترمہ انعم ڈھیڈھی	4	4	0
4	جناب اورنگ زیب علی نقوی	4	4	0
5	جناب محمد صدیق کھوکھر	4	4	0
6	جناب عبدلکریم	4	4	0
7	جناب مزمل عبدلکریم	4	4	0

ز) ڈائریکٹرز، CEO، CFO ، کمپنی سیکریٹری اور ان کے شرکاءحیات اور ان کے نابالغ بچوں کی حصص کی خرید و فروخت کی تفصیل درج ذیل ہے:

	(حصص کی تعداد)		
سوداکنندہ	خریداری	بونس اور رائٹ	فروخت
ڈائریکٹرز			
جناب جاوید بشیر شیخ	-	-	-
جناب عمران موتی والا	-	-	-
محترمہ انعم ڈھیڈھی	-	-	-
جناب اورنگ زیب علی نقوی	-	-	-
جناب محمد صدیق کھوکھر	-	-	-
جناب عبدلکریم	-	-	-
جناب مزمل عبدلکریم	-	-	-
کمپنی سیکریٹری	-	-	-
جناب محمد یعقوب	-	-	80,000

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ کی درجہ بندی

29جون2016 کو پاکستان کریڈٹ ریٹنگ ایجنسی(PACRA) نے گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ کی کارکردگی کے ایک، تین اور پانچ سال کی مدت "MFR 4-Star" درجہ بندی تفویض کرچکی ہے، دیگر کلوزڈ اینڈ میوچل فنڈز مقابلے میں اچھی کارکردگی ہے ۔

حصص رکھنے کا رجحان

کمپنیز آرڈیننس1984 اور اداراتی نظم وضبط کے تعمیل کرتے ہوئے تفصیلی حصص رکھنے کا رجحان منسلک ہے۔

اہم مالیاتی اعداوشمار ایک نظر میں

گذشتہ چھ سالوں کا اہم مالیاتی اعدا وشمار ایک نظر میں منسلک ہے۔

سرمایہ کاری پالیسی

عام کاروبار کے سودے اور کمپنی کے کئے ہوئے سودں کی نوعیت اپنے اثاثہ جات کی تمسکات میں سرمایہ کاری ہے۔ کمپنی کا مقصد سرمایہ کاروں کو اپنے فنڈز کی سرمایہ کاری کے لیے تمسکات میں سرمایہ کاری کے لیے ایسا آلہ فراہم کرتی ہے جو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کی زیر ہدایت میں سرمایہ کاری کرسکیں جو بورڈ آف ڈائریکٹرز کی عام نگرانی اور ہدایات سے مشروط ہے۔ کمپنی کا مقصد حکمت عملی کے مجموعے سے جس میں شامل ہیں زیادہ آمدنی دکھانے والے اسٹاک، گہری قدر اور بلند بہتر آمدنی منقسمہ ادا کرنے والے اسکرپس میں میں سرمایہ کاری کے ذریعے بہتر منافع حاصل کیا جائے۔ کمپنی کے پاس حکمتِ عملی

ہے کہ جب اسٹاک منڈی میں قیمتوں میں اتار چڑھاؤ میں اضافہ ہو تو سرمایہ کے نقصانات کو محدود کرنے کے لیے سرمایہ کاری کا رخ بچاؤ کے اسٹاک اور فکسڈ آمدنی کے تمسکات کی جانب کردے۔ پورٹ فولیو کے لیے اسٹاک کا انتخاب ممتاز معیار کے بروکریج ہاؤسز کی بنیادی اور مستند تحقیق کی بنیاد پر کیا جائے گا۔

آڈیٹرز کی تقرری

آڈیٹرز میسرز ڈیلوئٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس، ریٹائر ہو رہے ہیں اور اہلیت کی بناء پر انہوں نے اپنے آپ کو دوبارہ انتخاب کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز ڈیلوئٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس کا نام 30 جون 2018 کے اختتام پذیر سال کے لیے تجویز کرتے ہوئے سالانہ عام اجلاس میں حصص یافتگان کی منظوری سے مشروط کیا ہے

مستقبل کا منظر نامہ

پچھلی سیاسی حکومت میں سالانہ مجموعی قومی پیداوار کی اوسط نمو 3 فیصد رہی، موجودہ حکومت کے گذشتہ 4 سالوں میں نمو کی اوسط 4.4 فیصد رہی اور سال 2017 میں GDP کی نمو 5.3 فیصد رہی جو سال 2007 سے بلند ترین ہے۔ IMF کا تخمینہ ہے کہ سال 2018 میں مجموعی قومی پیداوار 5.5 فیصد رہے گی جس کی اصل وجہ فراہمی کی رکاوٹوں کا تدارک اور CPEC کے منصوبوں کا حقیقت بننا ہے۔

ہمارے خیال میں پاکستان کی تقسیم شدہ ملکیتی سرمایہ (Equity) کی منڈی، قدر کے متلاشی سرمایہ کاروں کو منتخب مواقع فراہم کرتی ہے اور فراہمی کی جانب رکاوٹوں کی وجہ سے طویل مدت تک معیشت کی نچلی کارکردگی کے بعد، معیشت نے بلاآخر اڑان بھری ہے، CPEC کے تحت کیپٹل سرمایہ کاری نے ایڑ لگائی (/ میں اضافہ ہو) تیل کی کم قیمتیں، برآمدات کے لیے ترغیبات اور کاروبار کا بڑھتا ہوا اعتماد۔

ابھرتی ہوئی منڈیوں کے انڈیکس (14x~) اور علاقائی معیشتوں (14x-17x~) کے مقابلے میں KSE-100 اس وقت آگے PE کے ~ 8.03x کے ساتھ منقسمہ منافع کی 6.55 ییلڈ کو خاصی رعائت پیش کرتی ہے۔

اعتراف

ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے سیکیوریٹز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت مالیات، بینک دولت پاکستان اور اسٹاک ایکسچینجز کی انتظامیہ کا ان کی مجموعی طور پر پورے میوچل فنڈ کی صنعت کی جانب سے شکریہ ادا کرتے ہیں اور ہمارے ٹرسٹی، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے تعاون کا شکریہ ادا کرنا چاہتے ہیں۔ بورڈ، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے عملے اور افسران کی مخلصانہ کارکردگی کا بھی اعتراف کرتا ہے۔ بورڈ کمپنی کے شیئر ہولڈرز کا ان کے اعتماد اور مسلسل حمائت اور رہنمائی کا بھی شکریہ ادا کرنا چاہتے ہے۔

مادی معلومات (Material Information)

نان-بینکنگ فنانس کمپنیز اور نوٹیفائڈ اینٹیٹیز ریگولیشن، 2008 کی شق نمبر 65 کے مطابق جس میں سیکیوریٹیز کمیشن آف پاکستان نے اپنے 26 دسمبر 2012 کے اعلامیہ S.R.O. 1492(1)/2012 کے ذریعے ترمیم کی، ایک اثاثہ جات مینجمنٹ کمپنی، جو ایک سرمایہ کاری کی کمپنی کا بھی انتظام چلا رہی ہے، 21 نومبر 2007 سے جانچ سال کی مدت کے ختم ہونے کے، ایک ماہ کے اندر اپنے حصص یافتگان کا اجلاس منعقد کرے گا اور ان کی منظوری لے کہ یا تو سرمایہ کار کمپنی کو اوپن اینڈ اسکیم میں تبدیل کر دیا جائے (سادہ اکثریت سے) یا سرمایہ کاری کی کمپنی کو بند کر دیا جائے (خصوصی قرارداد کے ذریعے)۔ 2013 میں

SECP نے 28 نومبر 2012 کو اپنے اعلامیہ S.R.O 1399 (1)2012 کے ذریعے سے مذکورہ حصص یافتگان کا اجلاس منعقد کرنے کی مدت میں 31 جنوری 2013 تک توسیع کر دی ہے۔

اس مذکورہ بالا ضابطے کی تعمیل کرتے ہوئے، کمپنی نے 31، جنوری 2013 کو اپنے حصص یافتگان کا اجلاس منعقد کیا۔ تاہم، نہ تو اکثریت حصص یافتگان کمپنی کی اوپن اینڈ اسکیم میں منتقلی کی اور نہ ہی اس کے بند کرنے کی منظوری دی جیسا کہ مذکورہ ضابطے میں بیان کیا گیا ہے۔ یہ حقیقت اسٹاک ایکسچینجز اور SECP کو پہنچادی گی ہے۔

بعد ازاں، کمپنی کو 21 فروری 2013 کو SECP کی جانب سے نوٹس موصول ہوا جس میں بیان کیا گیا تھا کہ کہ مذکورہ بالا ضابطے کی عدم تعمیل کی گئی ہے اور کمپنی کو مشورہ دیا گیا تھا کہ تھا کہ فوری درستگی کا قدم اٹھایا جائے اور حصص یافتگان کا ایک اور غیر معمولی عام اجلاس طلب کیا جائے۔ کمپنی مذکورہ نوٹس سے متاثر ہوئی اور اس نے اس بات کو ترجیح دی کہ ضابطہ 65 کی بنیاد پر کہ یہ شق خارج از اختیار ہونے کی بنیاد پر ایک آئینی درخواست معزز سندھ عدالت عالیہ میں جمع کروادی گئی۔ معزز سندھ عدالت عالیہ نے ابتدائی سماعت کے بعد کمپنی کو درمیانی مدت کی دادرسی دی اور SECP کو پابند کیا کہ درخواست کے التوا کی مدت کے دوران کمپنی کے خلاف دباؤ والا والا کوئی عمل نہ کیا جائے۔ متعلقہ قانونی دعویٰ معزز سندھ عدالت عالیہ میں زیر سماعت ہے۔

کمپنی کے کاروباری مستقبل کا انحصار مذکورہ بالا آئینی درخواست کے نتیجہ پر ہے۔ کمپنی کی انتظامیہ اور اس کے قانونی مشیر کی رائے ہے کہ ضابطہ 65 کی اسکیم ایک طرح سے، کمپنیز کے قوانین کے ساتھ ساتھ پاکستان کے آئین اور اصولوں کے مطابق نہیں ہے۔ علاوہ ازیں، وہ پر اعتماد ہیں کہ معزز سندھ عدالت عالیہ ضابطہ 65 کو قلم زد کر دے گا یا SECP کو ہدایت دے گا کہ ایک زیادہ عملی نفاذ کی اسکیم تیار کرے۔ تاہم، انتظامیہ کو یقین ہے کہ، انتہائی بدترین منظر نامے میں، کمپنی کی بندش کا اثاثہ جات اور مالیاتی ذمہ داریوں کوئی مادی اثر نہیں ہو گا، جس کی وجہ ایسی قدریں مادی طور پر کمپنی کے اثاثہ جات اور مالیاتی ذمہ داریوں کی مالیت سے مختلف نہیں ہیں کسی متوقع قابلِ حصول / تصفیہ کی مالیت سے۔ اس طرح سے مالیاتی دستاویزات کو ایک جاری رہنے والے ادارے کے طور پر تیار کیا گیا ہے

برائے ومنجانب بورڈ

عمران موتی والا

چیف ایگزیکیوٹیو آفیسر

کراچی: 20 ستمبر 2017

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.

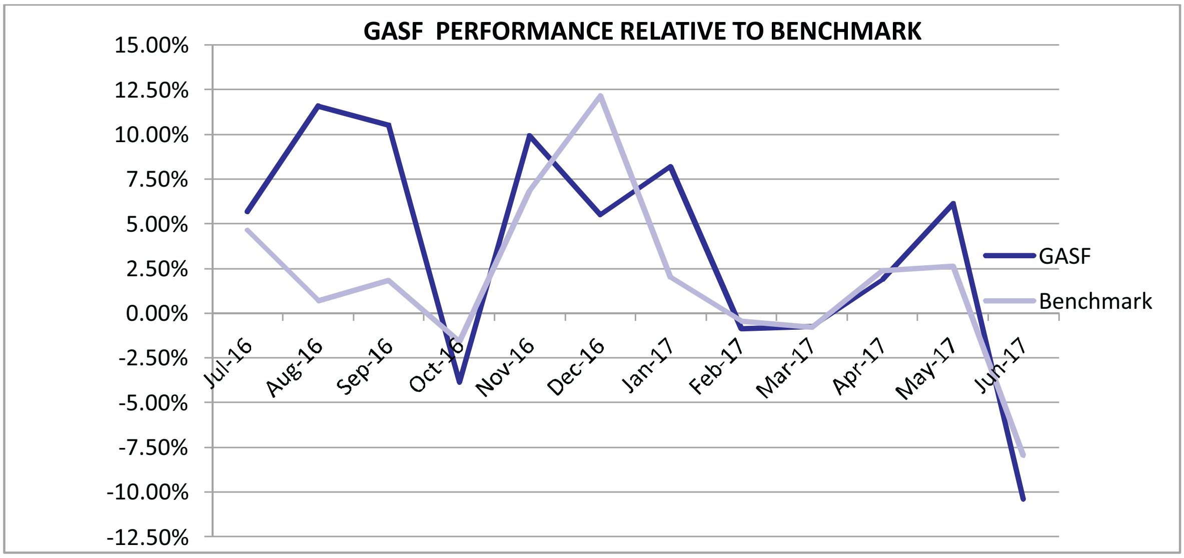
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For FY17, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) was 49.86% compared to the benchmark KSE-100 Index return of 23.24%, thus significantly outperforming KSE-100 index benchmark by over 26.62% .

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-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
GASF	5.68%	11.59%	10.53%	-3.88%	9.91%	5.48%	8.19%	-0.86%	-0.75%	1.87%	6.15%	-10.38%
Benchmark	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	1.99%	-0.46%	-0.78%	2.38%	2.62%	-7.96%

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-17	31-Mar-17
Equities	**96.46%**	92.24%
Cash	**3.18%**	7.35%
Other Assets	**0.36%**	0.41%

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

FY17 Return	**49.86%**
Benchmark Return	23.24%

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

Net Asset Value			NAV Per Unit	
30-Jun-17	31-Mar-17	Change	30-Jun-17	31-Mar-17
(Rupees In "000")			Rs.	Rs.
1,891,098	2,111,451	-10.43%	12.43	13.88

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:

Economy

Pakistan's real GDP accelerated and reached a decade high of 5.3% in FY17 up from 4.5% in FY16. This growth was led by private sector credit growth, higher foreign investment, improving agricultural output and subdued inflation. At the same time, China Pakistan Economic Corridor (CPEC); improved law and order; and removal of supply side bottlenecks also added to the growth. The large scale manufacturing sector exhibited a growth of 5.6% during July-May 17 as opposed to 3.4% during the same period last year. This was particularly led by growth in steel, cement, automobiles, electronics, sugar and pharmaceutical sectors.

The performance of the agricultural sector has been encouraging in FY17 as it achieved its target growth rate of 3.5% with larger area under cultivation. On the contrary, the service sector performance has largely remained lackluster at 6% YoY in FY17.

Consumer Price Index (CPI) during FY17 clocked in at 4.20% as compared to 2.90% in FY16. The FY17 CPI remained within the SBP target range of 4.5%-5.5% and consequently State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75% during this period. International oil prices (WTI) dwelled in the range of $42-$53 per barrel during FY17, positively impacted by production cuts announced by OPEC. The next OPEC meeting will take place in November 2017 where key decisions of supply cuts will have a significant impact on the oil prices in future.

According to SBP, the current account deficit (CAD) clocked in at USD 12.1 billion (4% of GDP) in FY17 against USD 4.9 billion (1.7% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 17.7% YoY, with sectors including automobiles, minerals, food, and equipment demand from CPEC related projects.

That said exports posted a decline of 1.4% in FY17 owing to lack of competitiveness with a strong PKR-USD parity against regional currencies. In this regard, we expect the Government of Pakistan's (GoP) incentive package for textile may provide some cushion to dwindling exports. At the same time the Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

Remittances on the other hand have also been discouraging in FY17 and stood at USD 19.3 billion, down 3.08% YoY from increase of 6.39% YoY in FY16 mainly due to the economic slowdown in the Gulf region. The total liquid foreign exchange reserves of Pakistan reached USD 21.4 billion (4.2

months import cover) by FY17 end, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we see pressure on the reserves emanating from external repayments (cumulative USD 3.5-4.5 billion) under Eurobond, Paris Club, IMF and China SAFE debt retirement, which will commence from FY18. The external account is expected to worsen and reach 7% of GDP from current 6% due to upcoming repayments and poor trade balance.

Due to improved law and order situation, better availability of energy and initiation of mega projects under CPEC, FDI in FY17 has grown by 4.6% YoY to reach USD 2.4 billion against USD 2.3 billion in FY16. Among the sectors, Power and Cement have witnessed the highest net inflow of FDI of USD 795.4 million and USD 467.7 million respectively. Other major increase came from CPEC driven investments worth USD 1,234 million and from Netherlands under the acquisition of ENGRO Foods by Friesland Campina worth USD 456.3 million.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide a much needed support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, decline in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view.

On the fiscal front, Federal Board of Revenue (FBR) has collected total tax revenue of PKR 3.38 trillion in FY17 but failed to achieve its revised target of PKR 3.5 trillion in FY17. The Government has set tax collection target of PKR 4 trillion for FY18 and intends to implement structural measures including tax amnesty schemes for Real Estate and offshore accounts to improve tax collection.

Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. Moreover, fiscal deficit is targeted to be 3.8% of GDP in FY18. The target seems ambitious in our opinion and would need additional tax measures and spending controls which can be difficult to implement during the election year.

Equity market Review

FY'17 has been quite an eventful year for Pakistani equity market. The KSE100 index started the year at 37,887.84 points and reached a high of 52,876 points, up 46% in May FY'17, whereas it ended the year at 46,565.29 points, posting a return of 23.24% for the fiscal year.

In addition to company and sector specific developments, the broader equity market was driven by major economic, structural and political themes throughout the year; that will continue to shape the future of our capital markets going forward.

Successful completion of IMF's three year Extended Fund Facility (EFF)-supported program ushered in a new era of optimism on the economic front. Under the program the country's GDP growth increased, fiscal deficit was curtailed with structural reforms initiated and foreign currency reserves recovered. However the optimism was short lived as the GoP started to deviate from the policy of fiscal consolidation leading to the re-emergence of macroeconomic vulnerabilities and circular debt in power sector.

Furthermore

Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy;

- Pakistan's inclusion into MSCI EM index, increased the visibility of Pakistani equities to global portfolio managers;
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years;
- 40% stake sale in the management of PSX to a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company and Habib Bank;

- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing;
- A PKR 180 billion package to boost exports;

All of these factors renewed investors confidence, which resulted in increased volumes and index reaching new high in 1HFY17. However, in 2HFY17 political uncertainties dominated the scene.

Following the Supreme Court's verdict on Panama Papers Case, the Prime Minister was disqualified under article 62 and 63 of the Constitution of Pakistan. However, it is pertinent to mention that despite disqualification of the PM, the ruling party (PML-N) stays in power.

Uncertainty of any sort, adversely affects the capital markets, because of its impact on the confidence of investors in the socio-economic policy. The second half of FY'17 experienced decline in volumes and index due to such phenomenon.

Future Outlook

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.4% in the last 4 years with FY17 GDP growth of 5.3% the highest since FY07. IMF projects a GDP growth of 5.5% in FY'18 mainly owing to resolution of supply side bottlenecks and materialization of CPEC projects.

Pakistani equity market, in our opinion, offer selective opportunities for value seeking investors and after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, and increasing business confidence.

The KSE-100 index currently trades at a forward PE of ~8.03x with a dividend yield of 6.55%, which offers a significant discount compared to MSCI Emerging Markets Index (~14x) and regional economies (~14x-17x).

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 circum stances 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 Company.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No 5.19 of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Golden Arrow Selected Stocks Fund Limited (the Company) has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

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 Mr. Muzammil Abdul Karim

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors of the Company have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancies occurred on the Board of Directors during the year.

5. The Company being an 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.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies 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.

7. 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 and non-executive directors, have been taken by the Board of the Asset Management Company.

8. 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 in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the requirement of CCG, six directors on the Board have already completed the Director Training Program and are certified directors.

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 directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholdings.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG

15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Company being an Investment Company does not have any employees on its payroll. The operations of the company are managed by the Asset Management Company. The Board of the Asset Management Company has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the Chairman, who is the Non-Executive Director.

18. 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

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), 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.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 20, 2017

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Golden Arrow Selected Stocks Fund Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of Regulation No. 5.19 of the Pakistan Stock Exchange where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Deloitte Yousuf Adil
Chartered Accountants

Karachi: September 20, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the financial statements

We have audited the annexed statement of assets and liabilities of **Golden Arrow Selected Stocks Fund Limited** (the Company), as at **June 30, 2017** and the related income statement, statement of comprehensive income, statement of cash flows, distribution statement, statement of changes in equity and statement of movement in equity and reserves per share 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 purpose of our audit.

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

a) 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 statement of assets and liabilities and income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  ii) the expenditure incurred during the year was for the purpose of the Company's business; and

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

c) in our opinion and to the best of our information and according to the explanations given to us, the statement of assets and liabilities, income statement, statement of comprehensive income 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, 2017 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

We draw attention to note 1.4 to the accompanying financial statements which states that the resolution regarding the conversion of the Company into an open end scheme or its winding up was not approved in the meeting of the shareholders. Subsequently, a notice for non-compliance of clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 was received by the Company from the Securities and Exchange Commission of Pakistan. In response, the Company filed a Constitutional petition against the said notice which is currently pending adjudication before the Honorable Sindh High Court. Hence, as disclosed in the said note, the future operations of the Company are dependent on the outcome of the above referred constitutional petition, however, the accompanying financial statements have been prepared on a going concern basis for the reasons given in the above referred note.

Our opinion is not qualified in respect of the above matter.

Other Matter

The financial statements of the Company for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion vide their audit report dated September 05, 2016.

Deloitte Yousuf Adil
Chartered Accountants
Audit Engagement Partner: Mushtaq Ali Hirani

Karachi: September 20, 2017

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

	Note	2017	2016
		(Rupees in '000)	
ASSETS			
Bank balances	4	**63,769**	72,279
Investments	5	**1,933,029**	1,754,500
Loans and receivables	6	**1,482**	-
Dividend and profit receivable	7	**2,617**	510
Income tax refundable		**307**	205
Security deposit	8	**2,750**	2,750
Total assets		**2,003,954**	1,830,244
LIABILITIES			
Payable to the Management Company	9	**5,812**	4,031
Accrued and other liabilities	10	**48,183**	73,705
Unclaimed dividend		**58,861**	38,193
Total liabilities		**112,856**	115,929
NET ASSETS		**1,891,098**	1,714,315
SHARE HOLDERS' EQUITY			
Authorised capital		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital	11	**760,492**	760,492
General reserve		**500**	500
Undistributed income		**1,130,106**	953,323
		1,891,098	1,714,315
		(Rupees)	
NET ASSETS VALUE PER SHARE	12	**12.43**	11.27
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
Income		--------- (Rupees in '000)	---------
Capital gain on sale of investment - net	14	**529,406**	66,796
Dividend income		**44,358**	33,664
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.1	**293,588**	107,788
Reversal of provision for Workers' Welfare Fund	10.3	**54,216**	-
Profit on bank deposits		**4,621**	5,596
Total income		**926,189**	213,844
Expenses			
Remuneration of the Management Company	9.1	**41,806**	33,425
Sales tax on management fee	15	**5,435**	5,428
Federal excise duty on management fee		**-**	5,348
Annual fee of Securities and Exchange Commission of Pakistan (SECP)		**1,986**	1,588
Remuneration to Custodian - Central Depository Company of Pakistan Limited (CDC)		**1,202**	998
Auditors' remuneration	16	**404**	459
Legal and professional fee		**182**	252
Annual listing fee		**384**	556
Central depository system charges		**374**	262
Fees and subscription		**481**	473
Securities transaction cost		**3,706**	3,452
Bank charges		**8**	14
Directors' fee and related Expenses		**391**	270
Printing and postage		**1,142**	821
Sales tax on custodian and central depository system charges		**204**	176
Advertisement		**444**	-
Expenses allocated by the Management Company		**2,090**	690
Provision for Sindh Workers' Welfare Fund	10.3	**27,540**	-
Total expenses		**87,779**	54,212
Net income before taxation		**838,410**	159,632
Taxation	17	**-**	-
Net income after taxation		**838,410**	159,632
		------------ (Rupees)	------------
Earnings per share - basic and diluted	18	**5.51**	1.05

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	---------- (Rupees in '000) ----------	
Net income for the year after taxation	**838,410**	159,632
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**838,410**	159,632

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in '000)	
Undistributed income brought forward	**953,323**	983,814
Net income after taxation for the period	**838,410**	159,632
Final dividend for the year ended June 30, 2016 @ 21% (Rs.1.05 per share) [June 30, 2015 @ 25% (Rs.1.25 per share)] declared on September 05, 2016	**(159,703)**	(190,123)
Interim dividend for the quarter ended September 30, 2016 @ 22% (Rs.1.10 per share) [September 30, 2015 @ Nil (Rs.Nil per share)] declared on October 21, 2016	**(167,308)**	-
Interim dividend for the half year ended December 31, 2016 @ 22% (Rs.1.10 per share) [December 31, 2015 @ Nil (Rs.Nil per share)] declared on February 17, 2017	**(167,308)**	-
Interim dividend for the quarter ended March 31, 2017 @ 22% (Rs.1.10 per share) [March 31, 2016 @ Nil (Rs.Nil per share)] declared on April 25, 2017	**(167,308)**	-
Undistributed income carried forward	**1,130,106**	**953,323**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxation		**838,410**	159,632
Adjustments			
Gain on sale of investments - net		**(529,406)**	(66,796)
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		**(293,588)**	(107,788)
Provision for Sindh Workers' Welfare Fund		**27,540**	-
Federal excise duty on management fee		**-**	5,348
Reversal of provision for Workers' Welfare Fund		**(54,216)**	-
		(11,260)	(9,604)
Decrease / (increase) in assets			
Receivable against sale of investments		**-**	76,131
Investments		**644,465**	92,091
Loans and receivables		**(1,482)**	-
Dividend and other receivables		**(2,107)**	(351)
Income tax refundable		**(102)**	(81)
		640,774	167,790
Increase / (decrease) in liabilities			
Payable against purchase of invetsments		**-**	(3,780)
Payable to the Management Company		**1,781**	271
Accrued and other liabilities		**1,154**	(1,544)
		2,935	(5,053)
Net cash generated from operating activities		**632,449**	153,133
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(640,959)**	(188,272)
Net cash used in financing activities		**(640,959)**	(188,272)
Net decrease in cash and cash equivalents		**(8,510)**	(35,139)
Cash and cash equivalents at beginning of the year		**72,279**	107,418
Cash and cash equivalents at end of the year	20	**63,769**	72,279

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Share capital	General reserve	Undistributed income	Total
	------------------- (Rupees in '000) -------------------			
Balance at June 30, 2015	760,492	500	983,814	1,744,806
Net income for the year	-	-	159,632	159,632
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended June 30, 2016	-	-	159,632	159,632
Transactions with owners				
Final dividend for the year ended June 30, 2015 @ 25% (Re.1.25 per share)	-	-	(190,123)	(190,123)
Balance at June 30, 2016	760,492	500	953,323	1,714,315
Net income for the year	-	-	838,410	838,410
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended June 30, 2017	-	-	838,410	838,410
Transactions with owners				
Final dividend for the year ended June 30, 2016 @ 21% (Rs.1.05 per share)	-	-	(159,703)	(159,703)
Interim dividend for the quarter ended September 30, 2016 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Interim dividend for the half year ended December 31, 2016 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Interim dividend for the quarter ended March 31, 2017 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Balance at June 30, 2017	**760,492**	**500**	**1,130,106**	**1,891,098**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees)	
Net assets value per share at the beginning of the year	**11.27**	11.47
Capital gain on sale of investments - net	**3.48**	0.44
Dividend income	**0.29**	0.22
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	**1.93**	0.71
Reversal of provision for Workers' Welfare Fund	**0.36**	-
Profit on bank deposits	**0.03**	0.04
Net income for the period	**6.09**	1.41
Operating expenses	**(0.58)**	(0.36)
Final dividend for the year ended June 30, 2016 @ 21% (Rs.1.05 per share) [June 30, 2015 @ 25% (Rs.1.25 per share)]	**(1.05)**	(1.25)
Interim dividend for the quarter ended September 30, 2016 @ 22% (Rs.1.10 per share) [September 30, 2015 @ Nil (Rs.Nil per share)]	**(1.10)**	-
Interim dividend for the half year ended December 31, 2016 @ 22% (Rs.1.10 per share) [December 31, 2015 @ Nil (Rs.Nil per share)]	**(1.10)**	-
Interim dividend for the quarter ended March 31, 2017 @ 22% (Rs.1.10 per share) [March 31, 2016 @ Nil (Rs.Nil per share)]	**(1.10)**	-
Net assets value per share	**12.43**	11.27

The annexed notes from 1 to 31 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. 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 Ordinance, 1984. 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 Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh. 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 June 08, 2017. The Pakistan Credit Rating Agency (PACRA) has also assigned Company performance ranking of "MFR 4-Star" to the Company in performance period of 1 year, 3 year and 5 year category on December 07, 2016.

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 Honorable Sindh High Court on the ground that Regulation 65 is ultra vires. The Honorable 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 relevant lawsuit is pending adjudication at the Honorable Sindh High Court.

The future operations of the Company are dependent on the outcome of the above referred Constitutional Petition. The management and the Company's legal counsel are of the view that the scheme of Regulation 65 the way it has been framed is not in accordance with the principles of Company Law and is in contravention of the fundamental right of business guaranteed by the Constitution of Pakistan. Furthermore, they are confident that the Honorable Sindh High Court will strike down Regulation 65 or direct SECP to devise a more practical implementation scheme. However, the management believes that, in the worst case scenario, the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realisable / settlement amounts of the assets and liabilities of the Company. Accordingly, these financial statements have been prepared on a going concern basis.

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, the requirements of the Companies Ordinance, 1984 the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking and Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation) and directives issued by the Securities and Exchange Commision of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Companies Ordinance, 1984 the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. 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.

Standards / amendments / interpretation	**Effective date (accounting period beginning on or after)**
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 01, 2016

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

2.3 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 Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards / amendments / interpretation	Effective date (accounting period beginning on or after)
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017

Standards / amendments / interpretation	Effective date (accounting period beginning on or after)
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017
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
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 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts
- IAS 28 – Investments in Associates and Joint Ventures

2.4 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 3.2.1, 3.2.4, 3.2.5 and 5.

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances.

3.2 Financial assets

3.2.1 Classification

The Company classifies its financial assets in the following categories: financial assets 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. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

This category has two sub-categories, namely; financial instruments held-for-trading, and those designated at fair value through profit or loss upon initial recognition.

- Investments which are acquired principally for the purposes of generating profit from short-term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short-term profit taking are classified as held-for-trading.
- Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

These investments are initially recognised at fair value, being the cost of the consideration given.

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

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available-for-sale are valued as follows:

a) Basis of valuation of equity securities

Investments in equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

Investments in non-traded equity securities are valued on the basis of the valuation criteria laid down in clause 66 of NBFC Regulations.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising on changes in fair value of available-for-sale financial assets are taken to other comprehensive income until these are derecognised. At this time, the cumulative gain or loss, previously shown under other comprehensive income, is transferred to the income statement as capital gain / (loss).

3.2.5 Impairment

The Company assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement - is reclassified from other comprehensive income to income statement. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount 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 asset and settle the liability simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

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

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is measured to its fair value and resultant gain or loss is recognised in the income statement.

3.5 Proposed dividend and transfer between reserves

Dividends 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.

3.6 Provisions

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

3.7 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 realized and unrealized capital gains for the year is distributed amongst the Company's shareholders. 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.

3.8 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.

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.

- Unrealised gains / (losses) arising on re-measurement of securities classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

- Unrealized gains / (losses) arising on the revaluation of securities classified as 'available-for-sale' are included in the statement of comprehensive income in the period in which they arise.

- Profit on bank balances is recognised on an accrual basis.

4. BANK BALANCES

	Note	June 30, 2017	June 30, 2016
		(Rupees in '000)	
PLS savings accounts	4.1	**54,633**	66,060
Current accounts		**9,136**	6,219
		63,769	72,279

4.1 Profit rates on PLS saving accounts range between 3.75% to 4.75% (June 30, 2016: 3.75% to 5.5%) per annum.

5. INVESTMENTS

	Note	June 30, 2017	June 30, 2016
Financial assets classified as 'at fair value through profit or loss'			
- Quoted equity securities - held-for-trading	5.1	**1,933,029**	1,753,020
Available-for-sale			
- Quoted equity securities	6.1	**-**	1,480
		1,933,029	1,754,500

5.1 **Quoted Equity Securities - financial assets at 'fair value through profit or loss' - held-for-trading**

Name of the investee company	Face value per share	As at July 01, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2017	Balance as at June 30, 2017 Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investment as a percentage of total paid up capital of the investee company
	---------- Number of shares	----------	----------	----------	----------	----------	---------- Rupees in '000	----------	----------	---------- %	----------	----------
SHARES OF LISTED COMPANIES - Fully paid ordinary shares												
Automobile Assembler												
Atlas Honda Limited	10	11,451	-	-	11,451	-	-	-	-	-	-	-
Dewan Farooque Motors Limited	10	391,500	-	-	391,500	-	-	-	-	-	-	-
							-	**-**	**-**			
Automobile Parts and Accessories												
Atlas Battery Limited	10	4,346	4	-	4,350	-	-	-	-	-	-	-
The General Tyre and Rubber Company of Pakistan Limited	10	-	50,000	-	50,000	-	-	-	-	-	-	-
Thal Limited	5	509,000	-	-	229,000	280,000	79,246	169,688	90,442	8.78	8.97	0.35
							79,246	**169,688**	**90,442**			
Cable and Electrical Goods												
Johnson & Phillips (Pakistan) Limited	10	17,000	-	-	17,000	-	-	-	-	-	-	-
Pak Elektron Limited	10	-	125,500	-	125,500	-	-	-	-	-	-	-
Pakistan Cables Limited	10	295,100	5,000	-	16,700	283,400	49,298	90,688	41,390	4.69	4.80	1.00
							49,298	**90,688**	**41,390**			
Cement												
Dewan Cement Limited	10	1,957,500	628,000	-	2,585,500	-	-	-	-	-	-	-
Javedan Corporation Limited **	10	4,892,800	71,500	-	-	4,964,300	146,458	191,473	45,015	9.91	10.12	3.84
							146,458	**191,473**	**45,015**			
Chemical												
Archroma Pakistan Limited	10	140,580	-	-	75,608	64,972	31,664	46,311	14,647	2.40	2.45	0.19
Buxly Paints Limited	10	36,500	-	-	-	36,500	1,442	4,378	2,936	0.23	0.23	2.53
Dynea Pakistan Limited	5	361,733	-	-	25,000	336,733	15,321	33,862	18,541	1.75	1.79	1.78
Ghani Gases Limited	10	120	-	-	-	120	2	3	1	0.00	0.00	0.00
Engro Polymer and Chemicals Limited	10	-	500,000	-	500,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	10	-	1,050,000	-	1,050,000	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	10	672,500	-	-	-	672,500	20,175	35,629	15,454	1.84	1.88	0.61
							68,604	**120,183**	**51,579**			
Commercial Banks												
BankIslami Pakistan Limited	10	1,559,928	2,974,000	-	-	4,533,928	53,573	60,301	6,728	3.12	3.19	0.45
Allied Bank Limited	10	-	237,500	-	-	237,500	22,800	21,285	(1,515)	1.10	1.13	0.02
JS Bank Limited	10	-	856,500	-	856,500	-	-	-	-	-	-	-
NIB Bank Limited	10	6,272,955	-	-	-	6,272,955	11,981	10,789	(1,192)	0.56	0.57	0.06
Summit Bank Limited	10	1,940,159	3,500,000	-	5,440,000	159	1	1	-	-	-	-
The Bank of Punjab	10	-	762,000	-	762,000	-	-	-	-	-	-	-
							88,355	**92,376**	**4,021**			
Engineering												
Aisha Steel Mills Limited	10	3,206,000	1,624,000	680,000	1,730,000	3,780,000	55,617	76,885	21,268	3.98	4.07	0.55
Huffaz Seamless Pipe Industries Limited	10	391,745	-	-	-	391,745	6,856	16,759	9,903	0.87	0.89	0.71
International Steels Limited	10	79,500	-	-	79,500	-	-	-	-	-	-	-
							62,473	**93,644**	**31,171**			

5.1 **Quoted Equity Securities - financial assets at 'fair value through profit or loss' - held-for-trading**

Name of the investee company	Face value per share	As at July 01, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2017	Balance as at June 30, 2017			Market value as percentage of investments	Market value as percentage of net assets	Investment as a percentage of total paid up capital of the investee company
							Carrying cost	Market value	Appreciation / (diminution)			
	----- Number of shares -----						----- Rupees in '000 -----			----- % -----		
Fertilizer												
Engro Corporation Limited	10	-	166,100	-	166,100	-	-	-	-	-	-	-
Engro Fertilizers Limited	10	-	200,000	-	200,000	-	-	-	-	-	-	-
							-	-	-			
Food and Personal Care Products												
Al Shaheer Corporation Limited	10	-	145,000	-	145,000	-	-	-	-	-	-	-
Engro Foods Limited	10	-	149,900	-	149,900	-	-	-	-	-	-	-
Murree Brewery Company Limited	10	25,000	48,950	-	36,000	37,950	38,892	29,288	(9,604)	1.52	1.55	0.16
Quice Food Industries Limited	10	4,954,500	434,500	-	3,841,500	1,547,500	12,947	10,260	(2,687)	0.53	0.54	1.57
							51,839	**39,548**	**(12,291)**			
Glass and Ceramics												
Balochistan Glass Limited	10	110,000	-	-	-	110,000	531	1,667	1,136	0.09	0.09	0.06
Shabbir Tiles & Ceramics Limited	5	1,291,937	-	-	1,291,500	437	3	8	5	0.00	0.00	0.00
							534	**1,675**	**1,141**			
Insurance												
Century Insurance Company Limited	10	386,812	-	36,747	-	423,559	9,461	11,860	2,399	0.61	0.63	0.84
EFU General Insurance Limited	10	-	164,900	-	10,000	154,900	22,505	22,461	(44)	1.16	1.19	0.08
Habib Insurance Company Limited	5	300,183	-	-	-	300,183	4,875	4,659	(216)	0.24	0.25	0.24
Pakistan Reinsurance Company Limited	10	67,500	-	-	67,500	-	-	-	-	-	-	-
TPL Direct Insurance Limited	10	301,686	-	-	-	301,686	5,385	7,421	2,036	0.38	0.39	0.40
							42,226	**46,401**	**4,175**			
Investment Banks / Inv. cos. / Securities cos.												
Jahangir Siddiqui and Company Limited	10	-	2,265,000	-	-	2,265,000	54,141	51,710	(2,431)	2.68	2.73	0.25
Pakistan Stock Exchange Limited	10	-	6,541,698	-	-	6,541,698	183,168	167,991	(15,177)	8.69	8.88	0.82
JS Investments Limited	10	394,000	-	-	-	394,000	5,437	5,358	(79)	0.28	0.28	0.49
							242,746	**225,059**	**(17,687)**			
Miscellaneous												
MACPAC Films Limited	10	809,129	280,000	-	230,000	859,129	17,993	26,667	8,674	1.38	1.41	2.21
Pakistan Services Limited	10	13,400	-	-	-	13,400	9,041	12,094	3,053	0.63	0.64	0.04
Siddiqsons Tin Plate Limited	10	1,505,000	-	-	1,505,000	-	-	-	-	-	-	-
Tri-Pack Films Limited	10	-	12,500	-	12,500	-	-	-	-	-	-	-
							27,034	**38,761**	**11,727**			
Oil and Gas Exploration Companies												
Oil & Gas Development Company Limited	10	750,000	650,000	-	900,000	500,000	77,552	70,345	(7,207)	3.64	3.72	0.01
Pakistan Petroleum Limited	10	150,000	83,700	-	33,700	200,000	31,535	29,628	(1,907)	1.53	1.57	0.01
							109,087	**99,973**	**(9,114)**			
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	10	-	158,200	-	-	158,200	69,553	61,279	(8,274)	3.17	3.24	0.06
Sui Northern Gas Pipelines Limited	10	5,344,550	50,000	-	5,394,550	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	10	-	850,000	-	850,000	-	-	-	-	-	-	-
							69,553	**61,279**	**(8,274)**			

5.1 **Quoted Equity Securities - financial assets at 'fair value through profit or loss' - held-for-trading**

Name of the investee company	Face value per share	As at July 01, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2017	Balance as at June 30, 2017			Market value as percentage of investments	Market value as percentage of net assets	Investment as a percentage of total paid up capital of the investee company
							Carrying cost	Market value	Appreciation / (diminution)			
	---- Number of shares ----						---- Rupees in '000 ----			---- % ----		
Paper and Board												
Century Paper & Board Mills Limited	10	-	791,500	-	791,500	-	-	-	-	-	-	-
Merit Packaging Limited	10	800,657	55,000	-	-	855,657	15,213	18,371	3,158	0.95	0.97	2.12
Pakistan Paper Products Limited	10	226,500	-	-	47,500	179,000	12,145	20,581	8,436	1.06	1.09	2.98
							27,358	**38,952**	**11,594**			
Power Generation and Distributior												
Japan Power Generation Limited	10	2,314,500	728,000	-	3,042,500	-	-	-	-	-	-	-
K-Electric Limited	3.5	18,534,000	3,492,000	-	5,536,000	16,490,000	135,671	113,781	(21,890)	5.89	6.02	0.06
Sitara Energy Limited	10	263,151	-	-	-	263,151	9,118	7,605	(1,513)	0.39	0.40	1.38
							144,789	**121,386**	**(23,403)**			
Sugar and Allied Industries												
Imperial Sugar Limited	10	378,000	-	-	-	378,000	1,886	11,143	9,257	0.58	0.59	0.38
Shahtaj Sugar Mills Limited	10	24,537	-	-	-	24,537	2,441	4,662	2,221	0.24	0.25	0.20
Shakarganj Limited	10	5,730,993	-	-	5,730,993	-	-	-	-	-	-	-
							4,327	**15,805**	**11,478**			
Synthetic and Rayor												
Pakistan Synthetics Limited	10	-	1,165,000	-	-	1,165,000	40,061	34,076	(5,985)	1.76	1.80	2.08
Rupali Polyester Limited	10	12,701	-	-	-	12,701	114	244	130	0.01	0.01	0.04
							40,175	**34,320**	**(5,855)**			
Technology and Communicatior												
Hum Network Limited	1	118,000	-	-	-	118,000	1,213	1,385	172	0.07	0.07	0.01
Pakistan Telecommunication Company Limited	10	2,690,500	1,909,500	-	2,900,000	1,700,000	27,931	26,537	(1,394)	1.37	1.40	0.05
Telecard Limited	10	2,018,500	-	-	2,018,500	-	-	-	-	-	-	-
TRG Pakistan Limited *	10	5,330,917	204,500	-	1,617,000	3,918,417	131,777	157,089	25,312	8.13	8.31	0.72
Worldcall Telecom Limited	10	438,000	-	-	-	438,000	858	1,336	478	0.07	0.07	0.05
							161,779	**186,347**	**24,568**			
Textile Composite												
Dawood Lawrencepur Limited	10	62,159	-	-	-	62,159	11,213	13,663	2,450	0.71	0.72	0.11
Gul Ahmed Textile Mills Limited	10	-	250,000	50,000	-	300,000	12,257	12,294	37	0.64	0.65	0.08
Ishaq Textile Mills Limited	10	6,500	-	-	-	6,500	57	77	20	0.00	0.00	0.07
Kohinoor Mills Limited	10	80,500	-	-	-	80,500	1,626	3,821	2,195	0.20	0.20	0.16
Crescent Textile Mills Limited	10	-	185,000	-	85,000	100,000	2,914	3,745	831	0.19	0.20	0.13
Sapphire Fibres Limited	10	47	-	-	-	47	26	56	30	0.00	0.00	0.00
							28,093	**33,656**	**5,563**			
Textile Spinning												
Crescent Fibres Limited	10	42,000	-	-	-	42,000	1,676	1,298	(378)	0.07	0.07	0.34
Din Textile Mills Limited	10	54,729	-	-	-	54,729	4,630	6,187	1,557	0.32	0.33	0.24
Ellcot Spinning Mills Limited	10	881,054	2,500	-	-	883,554	64,889	91,359	26,470	4.73	4.83	8.07
Fazal Cloth Mills Limited	10	12,406	-	-	-	12,406	1,762	2,221	459	0.11	0.12	0.04
Gadoon Textile Mills Limited	10	65,901	-	-	46,600	19,301	2,482	4,073	1,591	0.21	0.22	0.07
Island Textile Mills Limited	10	40,600	-	-	-	40,600	38,367	33,938	(4,429)	1.76	1.79	8.12
Saif Textile Mills Limited	10	217,000	-	-	-	217,000	3,856	4,774	918	0.25	0.25	0.82
							117,662	**143,850**	**26,188**			

5.1 **Quoted Equity Securities - financial assets at 'fair value through profit or loss' - held-for-trading**

Name of the investee company	Face value per share	As at July 01, 2016	Purchases during the year	Bonus / rights issue	Sales during the year	As at June 30, 2017	Balance as at June 30, 2017			Market value as percentage of investments	Market value as percentage of net assets	Investment as a percentage of total paid up capital of the investee company
							Carrying cost	Market value	Appreciation / (diminution)			
	------ Number of shares ------						------ Rupees in '000 ------			------ % ------		
Textile Weaving												
Prosperity Weaving Mills Limited	10	84,591	-	-	-	84,591	2,580	2,420	(160)	0.13	0.13	0.46
							2,580	**2,420**	**(160)**			
Transport												
Pakistan International Container Terminal Limited	10	46,200	-	-	31,600	14,600	4,913	5,081	168	0.26	0.27	0.01
							4,913	**5,081**	**168**			
Vanaspati and Allied Industries												
Punjab Oil Mills Limited	10	234,000	-	-	-	234,000	62,478	72,540	10,062	3.75	3.84	4.34
S.S.Oil Mills Limited	10	180,100	-	-	-	180,100	7,834	7,924	90	0.41	0.42	3.18
							70,312	**80,464**	**10,152**			
Total listed equity securities as at June 30, 2017							**1,639,441**	**1,933,029**	**293,588**			
Total listed equity securities as at June 30, 2016							**1,645,232**	**1,753,020**	**107,788**			

* 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 company as a percentage of net assets exceeded by 0.12% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. Subsequent to the year end the exposure has been regularised within the prescribed limit of 10% before the expiry of the time period for regularization.

		Note	2017	2016
			----------- (Rupees in '000) -----------	
6.	**LOANS AND RECEIVABLES**			
	Preference Shares			
	- Security Leasing Corporation Limited	6.1	**1,482**	-

6.1 Security Leasing Corporation Limited had deferred the payment of 3rd and 4th redemption pertaining to 1,001,489 shares of Rs. 10 each due on November 2009 and November 2010 respectively due to adverse financial position of the Company. As per the terms of the preference share, the redemption amount will be lower of par value and break-up value as per latest available audited financial statments. The preference shares had been valued at break-up value of Rs. 1.48 per share as per the financial statements for the period ended March 31, 2015. The break-up value as per latest audited financial statments for June 30, 2016 is Rs. 3.52 per share. However. on a prudent basis the impairment has not been reversed. Negotiations are underway with the investee company to recover the outstanding amount of preference shares. Management believes that no further provision is required against this amount. These preference shares had been delisted from Pakistan Stock Exchange Limited and therefore cannot be sold in an active market. The Management Company has intention and ability to hold the preference shares until realisation of aforementioned deferred payments, accordingly, the said investment has been reclassified into loans and receivables.

		Note	2017	2016
			----------- (Rupees in '000) -----------	
7.	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		**2,482**	460
	Profit receivable on bank balances		**135**	50
			2,617	510
8.	**SECURITY DEPOSIT**			
	National Clearing Company of Pakistan Limited		**2,750**	2,750
9.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Remuneration	9.1	**3,259**	2,830
	Sales tax on management fees	15	**424**	460
	Others	9.2	**878**	600
	Expenses allocated by the Management Company	9.3	**1,251**	141
			5,812	4,031

9.1 The Management Company is entitled to remuneration for services rendered to the Company under the provisions of the amended NBFC Regulations dated November 25, 2015, of an amount not exceeding 2 percent of the average daily net assets of the Company. The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Company.

9.2 This includes amount of Rs. 0.6 million 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.

9.3 This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

10. ACCRUED AND OTHER LIABILITIES

	Note	2017	2016
		----------- (Rupees in '000) -----------	
Annual fee to SECP	10.1	**1,986**	1,588
Brokerage		**646**	78
Custodian fee / charges		**108**	77
Auditors' remuneration		**258**	274
Unclaimed amount due to shareholders on reduction of share capital		**45**	45
Withholding tax		**15**	13
Accrued expenses		**979**	811
Sales tax payable to CDC		**14**	11
Federal excise duty on management fee	10.2	**16,592**	16,592
Provision for Sindh Workers' Welfare Fund	10.3	**27,540**	-
Provision for Workers' Welfare Fund	10.3	**-**	54,216
		48,183	73,705

10.1 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, 2016: 0.095%) of the average daily net assets.

10.2 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 are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Company, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in Sindh High Court (SHC) jointly by various asset management companies, together with Collective Investment Schemes through their trustees, challenging the levy of FED.

The SHC vide its Order dated June 30, 2016 has disposed of the petition by referring its judgment dated June 02, 2016 whereby it rendered the FED on certain services to be 'Ultra Vires' in the presence of Sindh Sales Tax Act 2011. However, the Federal Board of Revenue (FBR) has filed an appeal in the Supreme Court of Pakistan against this judgment of the SHC.

Further, the Federal Government vide Finance Act 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services.

In view of the abovementioned facts and the pending decision by the Supreme Court of Pakistan, the Management Company has not made any further provision for FED in the books of accounts of the Fund with effect from July 1, 2016 and decided to retain the provision for FED already made in the books of account of the Company. Had this provision not been made, the NAV of the Company would have been higher by Re. 0.11 per share.

10.3 The Supreme Court passed a judgment on November 10, 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments through Finance Acts 2006 and 2008 pertaining to Workers' Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Acts. The Federal Board of Revenue has filed an appeal 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. The provision amounted to Rs. 54.216 million was reversed on January 12, 2017 which resulted in an increase in NAV per share of Rs. 0.36 on January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had asked 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 neither financial institutions as required by SWWF Act, 2014, nor establishments but only pass through vehicles and hence, do not have any worker and no SWWF is payable by them. This fact has been communicated to SRB who have responded on November 11, 2016 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 decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds from SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 28.637 million. The aggregated provision as at June 30, 2017 is Rs. 27.540 million. Had this provision not been made, the NAV of the company would have been higher by Re. 0.181 per share as at June 30, 2017.

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

11. SHARE CAPITAL

Authorised share capital

2017	2016		2017	2016
------- Number of shares -------			----------- (Rupees in '000) -----------	
250,000,000	250,000,000	**Ordinary shares of Rs.5 each**	**1,250,000**	1,250,000

Issued, subscribed and paid-up capital

2017	2016	**Fully paid Ordinary shares of Rs.5 each**	2017	2016
------- Number of shares -------			----------- (Rupees in '000) -----------	
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

11.1 AKD Investment Management Limited and AKD Securities Limited held 23,882,895 (June 30, 2016: 24,782,895) and 2,889 (June 30, 2016: 2,889) shares respectively of the Company as at June 30, 2017. Other related parties as disclosed in note 21 held 5,403,135 shares (June 30, 2016: 5,560,135 shares) as at June 30, 2017.

11.2 Pattern of shareholding of the Company as at June 30, 2017 is as follows:

Category	Share holding		
	Share holders	Number of Shares	Percentage
Individuals	**5,627**	**115,924,753**	**76.22**
Associated companies and directors	**12**	**29,288,919**	**19.26**
Joint stock companies	**53**	**2,117,812**	**1.39**
Insurance companies	**1**	**1,554**	**0.00**
Banks and DFIs	**7**	**4,503,012**	**2.96**
NBFCs	**5**	**84,684**	**0.06**
Public limited companies	**3**	**30,610**	**0.02**
Others	**2**	**147,000**	**0.10**
Total	**5,710**	**152,098,344**	**100.00**

11.3 Pattern of shareholding of the Company as at June 30, 2016 was as follows:

Category	Share holding		
	Share holders	Number of shares	Percentage
Individuals	6,321	115,495,687	75.93
Associated companies and directors	9	30,345,919	19.95
Joint stock companies	53	1,335,112	0.88
Insurance companies	2	411,554	0.27
Banks and DFIs	7	3,213,688	2.11
NBFCs	5	84,684	0.06
Public limited companies	2	187,610	0.13
Others	8	1,024,090	0.67
Total	6,407	152,098,344	100.00

12. NET ASSETS VALUE PER SHARE

	2017	2016
	(Rupees in '000)	
Total net assets	**1,891,098**	1,714,315
Total shares in issue	**152,098,344**	152,098,344
Net assets value per share - Rupees	**12.43**	11.27

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2017 other than those disclosed in note 10.2 and 10.3.

14. GAIN ON SALE OF INVESTMENTS - NET

	2017	2016
	(Rupees in '000)	
Quoted equity securities classified as - 'financial assets at fair value through profit or loss' - net	**529,406**	66,796

15. SALES TAX ON MANAGEMENT FEE

Sindh sales tax at the rate of 13% (June 30, 2016: 14%) on gross value of management fee including FED is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

16. AUDITORS' REMUNERATION

	2017	2016
Annual audit fee	**200**	200
Half yearly review fee	**120**	120
Fee for review of statement of compliance with the code of corporate governance	**30**	30
	350	350
Sales tax	**28**	21
Out of pocket expenses	**26**	88
	404	459

17. 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 11 of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18. EARNINGS PER SHARE - BASIC

	2017	2016
	(Rupees in '000)	
Net income after taxation	**838,410**	159,632
	Number of shares	
Number of Ordinary shares	**152,098,344**	152,098,344
	(Rupees)	
Earnings per share - basic	**5.51**	1.05

18.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2017 and 2016.

19. EXPENSE RATIO

The expense ratio of the Fund from July 01, 2016 to June 30, 2017 is 3.7%, the total expense ratio includes 1.21% representing government levy and SECP fee.

	2017	2016
	---------- (Rupees in '000)	---------
20. CASH AND CASH EQUIVALENTS		
Bank balances	**63,769**	72,279

21. TRANSACTIONS WITH 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, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

	2017	2016
21.1 Transactions during the year	---------- (Rupees in '000)	---------
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**41,806**	33,425
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**25,707**	30,979
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**26,931**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**26,271**	-
Interim dividend paid on March 31, 2017 @ 22% i.e. Rs. 1.10 per share	**26,271**	-
Expenses allocated by the Management Company	**2,090**	690
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**2,197**	2,616
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**2,302**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**2,302**	-
Interim dividend paid on March 31, 2017 @ 22% i.e. Rs. 1.10 per share	**2,302**	-

	2017	2016
	---------- (Rupees in '000) ---------	
AKD Securities Limited - Group Company		
Brokerage	**294**	431
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**3**	4
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**3**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**3**	-
Interim dividend paid on March 31, 2017 @ 22% i.e. Rs. 1.10 per share	**3**	-
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**474**	564
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**496**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**496**	-
Interim dividend paid on March 31, 2017 @ 22% i.e. Rs. 1.10 per share	**386**	-
Directors of the Company		
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**3,178**	3,959
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**3,329**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**3,329**	-
Interim dividend paid on March 31, 2017 @ 22% i.e. Rs. 1.10 per share	**3,329**	-
Key Management Personnel		
Cash dividend paid @ 21% i.e. Rs.1.05 per share (June 30, 2016: @ 25% i.e. Rs.1.25 per share)	**84**	100
Interim dividend paid on September 30, 2016 @ 22% i.e. Rs. 1.10 per share	**88**	-
Interim dividend paid on December 31, 2016 @ 22% i.e. Rs. 1.10 per share	**88**	-

	2017	2016
	(Rupees in '000)	
Central Depository Company of Pakistan Limited (Custodian)		
Fee charged during the year (including transaction charges)	**1,576**	1,260
Prosperity Weaving Mills Limited		
Dividend received during the year	**148**	-
Javedan Corporation Limited - Common Directorship		
Purchase of shares	**2,267**	36,012

21.2 Balances outstanding at year end

	2017	2016
AKD Investment Management Limited - Management Company		
Remuneration payable	**3,259**	2,830
Sales Tax Provincial on Management Remuneration	**424**	460
Federal Excise Duty on Management Remuneration	**16,592**	16,592
Expenses allocated by the Management Company	**1,251**	141
Others	**878**	600
Shares in issue (No. of shares: June 30, 2017: 23,882,895; June 30, 2016: 24,782,895)	**119,414**	123,914
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (No. of shares: June 30, 2017: 2,092,812; June 30, 2016: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (No. of shares: June 30, 2017: 2,889; June 30, 2016: 2,889)	**14**	14
Brokerage payable	**33**	-
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (No. of shares: June 30, 2017: 284,046; June 30, 2016: 451,046)	**1,420**	2,255
Directors of the Company		
Shares of the Company held (No. of shares: June 30, 2017: 3,026,277; June 30, 2016: 3,016,277)	**15,131**	15,081

	2017	2016
Key Management Personnel of the Company	(Rupees in '000)	
Shares of the Company held (No. of shares: June 30, 2017: Nil; June 30, 2016: 80,000)	-	400
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	108	77
Prosperity Weaving Mills Limited		
Shares held by the Company (No. of shares: June 30, 2017: 84,591; June 30, 2016: Nil)	2,420	-
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (No. of shares: June 30, 2017: 4,964,300; June 30, 2016: 4,892,800)	191,473	144,191

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company holds following financial instruments at the year end.

22.1 Financial instruments by category

	As at June 30, 2017				
	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale	Held to maturity	Total
Assets	(Rupees in '000)				
Bank balances	63,769		-	-	63,769
Investments	-	1,933,029	-	-	1,933,029
Loans and receivables	1,482	-	-	-	1,482
Dividend and profit receivable	2,617		-	-	2,617
Security deposit	2,750		-	-	2,750
	70,618	1,933,029	-	-	2,003,647

	As at June 30, 2017		
	Liabilities at fair value through profit or loss	At Amortised cost	Total
Liabilities	(Rupees in '000)		
Payable to the Management Company	-	5,388	5,388
Accrued and other liabilities	-	2,008	2,008
Unclaimed dividend	-	58,861	58,861
	-	66,257	66,257

Assets	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale	Held to maturity	Total
	As at June 30, 2016				
	(Rupees in '000)				
Bank balances	72,279	-	-	-	72,279
Investments	-	1,753,020	1,480	-	1,754,500
Dividend and profit receivable	510	-	-	-	510
Security deposit	2,750	-	-	-	2,750
	75,539	1,753,020	1,480	-	1,830,039

Liabilities	Liabilities at fair value through profit or loss	At Amortised cost	Total
	As at June 30, 2016		
	(Rupees in '000)		
Payable to the Management Company	-	3,571	3,571
Accrued and other liabilities	-	1,264	1,264
Unclaimed dividend	-	38,193	38,193
	-	43,028	43,028

22.2 Risk management objective

The Company's objective in managing risks is the creation and protection of shareholders' value. Risk is inherent in the Company's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Management Company and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept. The Management Company, AKD Investment Management Limited, supervises the overall risk management approach within the Company. The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

22.3 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market price of securities due to change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

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.

22.3.1 Foreign 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.

22.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on management of bank balances and loans and receivables.

A summary of the Company's interest rate gap position, categorized by maturity date, is as follows:

		June 30, 2017				
		Exposed to Yield / interest rate risk				
On-balance sheet financial instruments	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)				
Financial assets						
Bank balances	3.75 to 4.75	54,633	-	-	9,136	63,769
Investments	-	-	-	-	1,933,029	1,933,029
Loans and receivables	-	-	-	-	1,482	1,482
Dividend and profit receivable	-	-	-	-	2,617	2,617
Security deposit	-	-	-	-	2,750	2,750
		54,633	-	-	1,949,014	2,003,647
Financial liabilities						
Payable to the Management Company	-	-	-	-	5,388	5,388
Accrued and other liabilities	-	-	-	-	2,008	2,008
Unclaimed dividend	-	-	-	-	58,861	58,861
		-	-	-	66,257	66,257
On-balance sheet gap		54,633	-	-	1,882,757	1,937,390

		June 30, 2016				
		Exposed to Yield / interest rate risk				
On-balance sheet financial instruments	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)				
Financial assets						
Bank balances	3.75 to 5.5	66,060	-	-	6,219	72,279
Investments	-	-	-	-	1,754,500	1,754,500
Dividend and profit receivable	-	-	-	-	510	510
Security deposit	-	-	-	-	2,750	2,750
		66,060	-	-	1,763,979	1,830,039
Financial liabilities						
Payable to the Management Company	-	-	-	-	3,571	3,571
Accrued and other liabilities	-	-	-	-	1,264	1,264
Unclaimed dividend	-	-	-	-	38,193	38,193
		-	-	-	43,028	43,028
On-balance sheet gap		66,060	-	-	1,720,951	1,787,011

As at June 30, 2017, the balances that may be exposed to interest rate risk are as follows:

	June 30, 2017	June 30, 2016
	------- (Rupees in '000) -------	
Variable rate instruments		
Bank balance	**54,633**	66,060
Fixed rate instruments		
Preference shares	**1,482**	1,480

In case of 100 basis points, increase / decrease in interest rate with all other variables constant, the net income after taxation for the year would have been higher / lower by Rs. 0.546 million (June 30, 2016: Rs. 0.661 million.

22.3.3 Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from the Company's investments in equity securities for which prices in the future are uncertain. The Company policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of the NBFC Regulations.

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 limit set by the NBFC Regulations). The Company also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation.

Details of the Company's investment in industrial / economic sector are given in note 5.1.

The following table illustrates the sensitivity of the income for the year and the equity to an increase or decrease of 5% 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.

As at June 30, 2017, the Company holds equity securities, which are classified as at 'fair value through profit and loss'. In case of 500 basis points, increase or decrease in fairvalue of Company's equity securities, total comprehensive income for the year and net assets would have been higher / lower by Rs. 96.651 million (Rs. 87.725 million).

22.4 Credit risk

Credit risk arises from the inability of the counterparties to fulfil their obligations in respect of financial instruments contracts. All investing transactions are settled / paid for upon delivery using approved brokers. The Company's policy is to enter into financial instruments contract by following internal guidelines such as approving counterparties and carrying out transactions through approved brokers. The credit risk also arises from deposits with banks and loans and receivables and credit exposure arising as a result of dividend receivable on equity securities.

For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The analysis below summarises the credit risk of the Company's financial assets:

	June 30, 2017	June 30, 2016
	------- (Rupees in '000) -------	
Bank balances	**63,769**	72,279
Investments	**-**	1,480
Loans and receivables	**1,482**	-
Dividend and profit receivable	**2,617**	510
Total	**67,868**	74,269

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect group 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 broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

	2017	2016
Bank balances by rating category	------- (Rupees in '000) -------	
AAA / A1+	**346**	347
AA+ / A1+	**20,519**	42,926
AA / A1+	**18,640**	25,813
AA- / A1+	**2,580**	2,592
A+ / A1	**600**	601
A- / A-1	**21,084**	-
	63,769	72,279

The maximum exposure to credit risk before any credit enhancement as at June 30, 2017 is the carrying amount of the financial assets.

22.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company is not materially exposed to liquidity risk as all obligations / commitments of the Company 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 summaries the maturity profile of the Company's financial liabilities. The analysis 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, 2017			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	(Rupees in '000)			
Liabilities				
Payable to Management Company	5,388	5,388	-	-
Accrued and other liabilities	2,008	1,750	258	-
Unclaimed dividend	58,861	58,861	-	-
	66,257	65,999	258	-

	As at June 30, 2016			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	(Rupees in '000)			
Liabilities				
Payable to Management Company	3,571	3,571	-	-
Accrued and other liabilities	1,264	990	274	-
Unclaimed dividend	38,193	38,193	-	-
	43,028	42,754	274	-

The composition of the Company's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Further, in case of variable rate instruments, the sensitivity analysis has been done from last repricing date. Accordingly, the sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the impact on the Company's net assets of future movements in interest rates.

23. 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'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 it's 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.

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 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). Adoption of IFRS 13, has no affect on the financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	----------------- As at June 30, 2017 -----------------			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------------ (Rupees in '000) ------------------			
ASSETS				
Investment in securities -				
at fair value through profit or loss	**1,933,029**	**-**	**-**	**1,933,029**
Loans and receivables	**-**	**-**	**1,482**	**1,482**
	1,933,029	**-**	**1,482**	**1,934,511**

	----------------- As at June 30, 2016 -----------------			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------------ (Rupees in '000) ------------------			
ASSETS				
Investment in securities -				
at fair value through profit or loss	1,753,018	-	2	1,753,020
Investment in securities - available-for-sale	-	-	1,480	1,480
	1,753,018	-	1,482	1,754,500

During the year ended June 30, 2017, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

25. NON-ADJUSTING EVENT AFTER REPORTING PERIOD

The Board of Directors of the Company in their meeting held on September 20, 2017 have proposed a final cash dividend at Rs.1.10 per share for the year ended June 30, 2017 (June 30, 2016: cash dividend @ Rs.1.25).

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:

	Designation	Qualification	Experience in years
Mr. Imran Motiwala	Chief Executive Officer - (GASSFL & AKDIML)	BBA	23
Ms. Anum Dhedhi	Chief Investment Officer and Fund Manager of GASSFL and AKDOF	BSc	6
Mr. Muhammad Yaqoob	Chief Operating Officer, Company Secretary	MBA	13
Mr. Nadeem Saulat Siddiqui	Head of Public Relations Director - AKDIML	MBA	24
Mr. Mohammad Ahsan	Manager Risk Management	ACCA	4
Mr. Ambrat Khemani	Investment Analyst	MBA	2
Mr. Mahindar Kumar	Investment Analyst	BBA	3
Ms. Laraib Mohib	Fund Manager of AKDITF	BBA	3
Mr. Abdul Rehman	Fund Manager of AKDCF and AKDAIF	BBA	2

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 05, 2016, October 21, 2016, February 17, 2017 and April 25, 2017. Information in respect of attendance by the Directors in the meetings is given below:

	Name of Director	Number of meetings		
		Held	Attended	Leave
1	Mr. Javaid Bashir Sheikh*	4	4	0
2	Mr. Imran Motiwala	4	4	0
3	Ms. Anum Dhedhi	4	4	0
4	Mr. Aurangzeb Ali Naqvi	4	4	0
5	Mr. Abdul Karim Memon	4	4	0
6	Mr. Muhammad Siddiq Khokhar	4	4	0
7	Mr. Muzammil Abdul Karim	4	4	0

The election of Directors took place on May 09, 2016 and SECP granted their approval on August 12, 2016.

*Mr. Ahmed Abdul Sattar passed away on May 02, 2016. Second EOGM held on August 10, 2016 Mr, Javaid Bashir Sheikh was elected as a director in place of Mr. Ahmed Abdul Sattar (Late).

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

For the year ended June 30, 2017

Name of Broker	%
Investment Managers Securities (Private) Limited	**14.92**
A.I. Securities (Private) Limited	**13.25**
Next Capital Limited	**13.24**
Fortune Securities Limited	**10.66**
AKD Securities Limited	**9.20**
Creative Capital Securities (Private) Limited	**8.50**
Taurus Securities Limited	**6.61**
Pearl Securities Limited	**6.46**
Habib Metropolitan Financial Services Limited	**5.40**
DJM Securities (Private) Limited	**2.96**

For the year ended June 30, 2016

Name of Broker	%
Investment Managers Securities (Private) Limited	15.47
A. I. Securities (Private) Limited	15.46
AKD Securities Limited	14.73
Fortune Securities Limited	14.40
Next Capital Limited	9.09
Habib Metropolitan Financial Services Limited	7.80
Taurus Securities Limited	5.40
Creative Capital Securities (Private) Limited	3.96
First Capital Equities Limited	3.30
Cassim Investments (Private) Limited	1.48

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 were no changes in the reportable segments during the year.

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

The Company has a 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 20, 2017.

31. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

Imran Motiwala	**Anum Dhedhi**
Chief Executive Officer	Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

No. of Shareholders	Having Shares From	Having Shares To	Shares Held	Percentage
610	1	100	20,031	0.01
1,238	101	500	347,443	0.23
624	501	1000	519,638	0.34
1,487	1001	5000	4,057,882	2.67
542	5001	10000	4,300,239	2.83
272	10001	15000	3,417,840	2.25
179	15001	20000	3,308,482	2.18
143	20001	25000	3,325,862	2.19
72	25001	30000	2,067,432	1.36
63	30001	35000	2,071,421	1.36
48	35001	40000	1,803,196	1.19
27	40001	45000	1,177,393	0.77
50	45001	50000	2,459,127	1.62
24	50001	55000	1,275,506	0.84
28	55001	60000	1,635,428	1.08
19	60001	65000	1,198,173	0.79
12	65001	70000	829,568	0.55
7	70001	75000	520,126	0.34
12	75001	80000	941,192	0.62
7	80001	85000	581,381	0.38
7	85001	90000	611,354	0.40
10	90001	95000	924,243	0.61
33	95001	100000	3,293,533	2.17
11	100001	105000	1,134,498	0.75
13	105001	110000	1,413,215	0.93
4	110001	115000	452,500	0.30
4	115001	120000	470,354	0.31
10	120001	125000	1,225,423	0.81
5	125001	130000	638,679	0.42
2	130001	135000	265,756	0.17
5	135001	140000	696,500	0.46
4	140001	145000	576,500	0.38
4	145001	150000	594,956	0.39
2	150001	155000	305,830	0.20
3	155001	160000	471,538	0.31
3	160001	165000	486,825	0.32
4	165001	170000	671,383	0.44
2	170001	175000	346,500	0.23
1	180001	185000	184,000	0.12
3	185001	190000	565,674	0.37
1	190001	195000	190,500	0.13
11	195001	200000	2,196,281	1.44
1	200001	205000	205,000	0.13
6	205001	210000	1,254,224	0.82
1	220001	225000	221,500	0.15
1	225001	230000	227,390	0.15
2	230001	235000	466,500	0.31
6	245001	250000	1,488,772	0.98
2	250001	255000	507,000	0.33
3	255001	260000	773,789	0.51
2	260001	265000	528,000	0.35
1	265001	270000	266,500	0.18
2	275001	280000	559,000	0.37
1	280001	285000	284,046	0.19
3	290001	295000	875,486	0.58
5	295001	300000	1,500,000	0.99
1	325001	330000	325,750	0.21
2	330001	335000	666,500	0.44
1	345001	350000	350,000	0.23
1	365001	370000	366,000	0.24
2	375001	380000	758,000	0.50
2	385001	390000	775,750	0.51
1	390001	395000	390,500	0.26
3	395001	400000	1,200,000	0.79
3	400001	405000	1,206,601	0.79
1	405001	410000	407,000	0.27
1	420001	425000	423,500	0.28
1	430001	435000	432,870	0.28
2	435001	440000	871,500	0.57
1	440001	445000	442,000	0.29
3	445001	450000	1,342,562	0.88
1	450001	455000	451,000	0.30
1	455001	460000	457,500	0.30
1	460001	465000	463,000	0.30
1	480001	485000	483,000	0.32
2	490001	495000	989,844	0.65
3	495001	500000	1,500,000	0.99
1	530001	535000	530,500	0.35
1	575001	580000	575,500	0.38
1	595001	600000	600,000	0.39
1	630001	635000	635,000	0.42
1	660001	665000	663,750	0.44
1	665001	670000	670,000	0.44
2	670001	675000	1,346,023	0.88
1	675001	680000	676,084	0.44
1	700001	705000	705,000	0.46
1	705001	710000	706,403	0.46
1	785001	790000	785,500	0.52
2	795001	800000	1,592,500	1.05
1	975001	980000	980,000	0.64
1	1060001	1065000	1,060,891	0.70
1	1080001	1085000	1,082,812	0.71
1	1095001	1100000	1,100,000	0.72
1	1130001	1135000	1,131,187	0.74
1	1215001	1220000	1,216,500	0.80
1	1245001	1250000	1,250,000	0.82
1	1255001	1260000	1,260,000	0.83
1	1295001	1300000	1,300,000	0.85
1	1485001	1490000	1,485,500	0.98
1	1795001	1800000	1,800,000	1.18
1	2065001	2070000	2,066,000	1.36
1	2090001	2095000	2,092,812	1.38
1	2240001	2245000	2,244,000	1.48
1	2580001	2585000	2,581,501	1.70
1	3005001	3010000	3,010,000	1.98
1	3995001	4000000	4,000,000	2.63
1	5200001	5205000	5,204,500	3.42
1	6825001	6830000	6,830,000	4.49
1	23880001	23885000	23,882,895	15.70
5710			**152,098,344**	**100.00**

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2017

Category	Share holding		
	Share holders	Number of Shares	Percentage
Individuals	5,627	115,924,753	76.22
Associated companies and directors	12	29,288,919	19.26
Joint stock companies	53	2,117,812	1.39
Insurance companies	1	1,554	0.00
Banks and DFIs	7	4,503,012	2.96
NBFCs	5	84,684	0.06
Public limited companies	3	30,610	0.02
Others	2	147,000	0.10
Total	5,710	152,098,344	100.00

DETAILS OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2017

PARTICULARS	SHARES HELD	PERCENTAGE
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES		
AKD Investment Management Limited	23,882,895	15.70
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)	1,000	0.00
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	30,610	0.02
BANKS, DEVELOPMENT FINANCE INSTITUTIONS NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES MODARABA AND MUTUAL FUNDS	4,589,250	3.02
INDIVIDUALS	115,924,753	76.22
OTHERS	2,264,812	1.49
TOTAL	152,098,344	100.00

PROXY DETAILS ISSUED

FOR THE YEAR ENDED JUNE 30, 2017

As per the requirement of the 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 the Management Company's website (www.akdinvestment.com).

During the year, Golden Arrow Selected Stocks Fund Limited participated in 9 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	**27**	**27**	**0**	**0**	**-**
(%ages)	**100**	**100**	**0**	**0**	**-**

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

SIX YEARS KEY FINANCIAL DATA AT A GLANCE

	2012	2013	2014	2015	2016	2017
	(Rupees '000)'					
Total Income	323,130	860,947	809,134	634,899	213,844	926,189
Operating Profit/ Net Income	290,165	802,871	734,748	564,823	159,632	838,410
Cash Dividend (Rupees)	1.20	2.10	4.30	3.45	1.05	4.40
Cash Dividend %	24.00	42.00	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	371,934	840,189	905,705	983,814	953,323	1,130,106
Net Assets	1,134,946	1,602,002	1,666,697	1,744,806	1,714,315	1,891,098
Earnings per Share (Rupees)	1.91	5.28	4.83	3.71	1.05	5.51
Break up Value per share(Rupees)	7.46	10.53	10.96	11.47	11.27	12.43
Ratio of:						
Operating profit to Income	0.90	0.93	0.91	0.89	0.75	0.91
Return on Net assets Employed	0.26	0.50	0.44	0.32	0.09	0.44

PERFORMANCE TABLE

PERFORMANCE TABLE	2017	2016	2015
	------------ Rupees in '000'	--------------	
Total net assets value	1,891,098	1,744,806	1,744,806
Net assets value per share - Rupees	12.43	11.47	11.47
Net Income for the year carried	838,410	564,823	564,823
Return of fund			
Income distribution	669,232	524,739	524,739
Accumulated capital growth	3,586,492	2,588,450	2,588,450
Distribution per share			
Annual - Rupees	1.10	1.25	1.25
Interim - Rupees	1.10	2.20	2.20
Interim - Rupees	1.10	-	-
Interim - Rupees	1.10	-	-
	-------------- Percentage	---------------	
Average annual return			
One Year	49.86%	9.60%	39.78%
Two Year	29.73%	24.69%	45.73%
Three Year	33.08%	33.68%	58.60%

- The income distribution have been shown against the year to which they relate although these were declared and distributed subsequently to the year end.
- Past performance is not necessarily indicative of future performance, and that share price and investment return may go down, as well as up.
- The breakdown of the Fund's investment portfolio between industry sectors has been disclosed in note 5 to the financial statements.

STATEMENT OF INCOME AND EXPENDITURE

OF THE MANAGEMENT COMPANY IN RELATION TO THE INVESTMENT COMPANY

FOR THE YEAR ENDED JUNE 30, 2017

	2017
	Rupees in '000'
INCOME	
Remuneration from Golden Arrow Selected Stocks Fund Limited	41,806
Dividend income	105,180
	146,986
OPERATING EXPENSES	
Salaries, allowances and other benefits	22,404
Office rent	327
Printing and stationery	749
Vehicle running and maintenance	660
Travelling and conveyance	523
Repairs and maintenance	516
Legal and professional charges	2,536
Utilities	730
Communication	476
Depreciation	5,050
Insurance	534
Auditors' remuneration	138
Computer expenses	817
Entertainment / Office Supplies	356
Miscellaneous	972
Financial Cost	17
	36,805
NET PROFIT FOR THE YEAR	110,181

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

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 15, 2017 at 11:00 a.m. and / or any adjournment thereof.

As witness my / our hand seal this ____________________ day of ____________________ 2017

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)	(Signature of Witness 2)
Name of Witness: ____________________	Name of Witness: ____________________
CNIC No.:	CNIC No.:
Address: ____________________	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.

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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:
1st Floor, Al-Fateh Shopping Centre,
Sarmayakari Markaz,Main Mansehra Road,
Abbottabad.
Contact # 099-2408187

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