



KPMG Taseer Hadi & Co.
Chartered Accountants

**JCR-VIS Credit Rating Company
Limited**

**Financial Statements
For the year ended 30 June 2016**



KPMG Taseer Hadi & Co.
Chartered Accountants
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Auditors' Report to the Members

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

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as disclosed in note 4 to the financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, 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 30 June 2016 and of the profit, cash flows and changes in equity for the year then ended; and



KPMG Taseer Hadi & Co.

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

Date: 07 OCT 2016
Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Ayn Malik

JCR-VIS Credit Rating Company Limited

Balance Sheet

As at 30 June 2016

	Note	2016	2015
ASSETS			
(Rupees)			
NON-CURRENT ASSETS			
Property and equipment	5	75,726,546	80,652,565
Long term investments	6	9,742,966	16,109,415
Total non-current assets		85,469,512	96,761,980
CURRENT ASSETS			
Trade debts	7	7,849,390	6,607,478
Loans and advances	8	25,700	238,693
Deposits and prepayments	9	1,530,385	1,427,333
Other receivables	10	7,054,056	6,779,635
Taxation		18,105,416	18,105,413
Non-current asset held-for-sale	5.1	2,740,058	-
Cash and bank balances	11	731,561	3,377,270
Total current assets		38,036,566	36,535,822
Total assets		123,506,078	133,297,802
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		30,000,000	30,000,000
3,000,000 (2015: 3,000,000) ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up share capital			
2,000,000 (2015: 2,000,000) ordinary shares of Rs. 10/- each			
fully paid in cash	12	20,000,000	20,000,000
Unrealized gain on re-measurement of available for sale investment		-	276,449
Unappropriated profit		51,021,923	50,202,773
		71,021,923	70,479,222
LIABILITIES			
NON-CURRENT LIABILITIES			
Liability against assets subject to finance lease	13	1,326,370	1,730,382
Musharaka financing	14	-	494,878
Loan	15	1,516,664	12,250,000
Deferred tax liability	16	4,447,840	4,826,800
Total non-current liabilities		7,290,874	19,302,060
CURRENT LIABILITIES			
Current portion of liability against assets subject to finance lease	13	1,287,731	787,963
Current portion of musharaka financing	14	494,878	1,482,138
Current portion of loan	15	2,022,224	7,000,000
Deferred income	19.2	19,746,187	27,132,848
Trade and other payables	17	21,642,261	7,113,571
Total current liabilities		45,193,281	43,516,520
Total equity and liabilities		123,506,078	133,297,802
CONTINGENCY AND COMMITMENT			
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The annexed notes 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

JCR-VIS Credit Rating Company Limited

Profit and Loss Account

For the year ended 30 June 2016

	Note	2016 (Rupees)	2015
INCOME			
Fee income	19	96,198,786	83,320,993
Other income	22	4,279,674	4,912,621
Total income		<u>100,478,460</u>	<u>88,233,614</u>
EXPENSES			
Operating and administrative expenses	20	(90,441,771)	(84,773,915)
Financial charges	21	(1,619,728)	(1,218,659)
Total expenses		<u>(92,061,499)</u>	<u>(85,992,574)</u>
Profit before taxation		<u>8,416,961</u>	<u>2,241,040</u>
Taxation	23	(7,597,811)	(288,468)
Profit after taxation		<u>819,150</u>	<u>1,952,572</u>
Earnings per share - basic and diluted	24	<u>0.41</u>	<u>0.98</u>

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

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Chief Executive



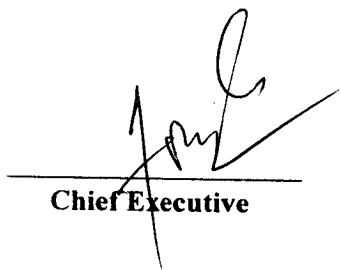
Director

JCR-VIS Credit Rating Company Limited
Statement of Comprehensive Income
For the year ended 30 June 2016

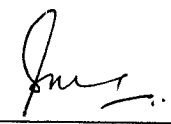
	2016	2015
	(Rupees)	
Profit for the year	819,150	1,952,572
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Unrealised gain / (loss) on revaluation of available for sale investments	-	327,498
Unrealized gain on remeasurement of available for sale investments - reclassified to profit or loss	(276,449)	-
Total comprehensive income for the year	<u>542,701</u>	<u>2,280,070</u>

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

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Chief Executive



Director

JCR-VIS Credit Rating Company Limited

Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016	2015
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		8,416,961	2,241,040
<i>Adjustments for:</i>			
Depreciation	5	12,722,395	10,621,577
Financial charges	21	1,619,728	1,218,659
Gain on disposal of property and equipment	22	(902,700)	(986,790)
Mark-up on savings account		(267,277)	(530,410)
Realised gain on disposal of investments		(350,906)	(319,792)
		<u>12,821,240</u>	<u>10,003,244</u>
		21,238,201	12,564,076
Decrease / (increase) in current assets			
Trade debts		(1,241,912)	3,480,452
Loan and advances		212,993	390,629
Deposits and prepayments		(103,052)	(157,272)
Other receivables		(552,221)	(780,919)
		<u>(1,684,192)</u>	<u>2,932,890</u>
(Decrease) / increase in current liabilities			
Deferred income		(7,386,661)	2,817,462
Trade and other payables		14,505,940	(1,044,779)
		<u>7,119,279</u>	<u>1,774,624</u>
		26,673,288	17,360,534
Mark-up received		267,277	530,410
Mark-up paid		(1,596,978)	(1,218,659)
Income tax paid		(7,976,775)	(6,578,366)
Net cash flows generated from operating activities		<u>17,366,812</u>	<u>10,093,919</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition of property and equipment		(9,558,734)	(38,912,568)
Purchase of investments- net		6,718,707	(319,792)
Proceeds from disposal of property and equipment	5.3	950,000	1,009,262
Net cash flows used in investing activities		<u>(1,890,027)</u>	<u>(38,223,098)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease financing - net		(929,244)	1,271,319
Musharaka financing - net		(1,482,138)	(1,883,026)
Loan - net		(15,711,112)	19,250,000
Net cash flows (used in) / generated from financing activities		<u>(18,122,494)</u>	<u>18,638,293</u>
Net decrease in cash and cash equivalents during the year		<u>(2,645,709)</u>	<u>(9,260,038)</u>
Cash and cash equivalents at beginning of the year		3,377,270	12,637,308
Cash and cash equivalents at end of the year	11	<u>731,561</u>	<u>3,377,270</u>

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

Signature

Chief Executive

Director

JCR-VIS Credit Rating Company Limited

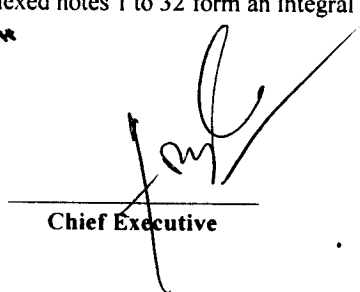
Statement of Changes in Equity

For the year ended 30 June 2016

	Issued, subscribed and paid-up capital	Unrealized (loss) / gain on re- measurement of available for sale investment	Unappropriated profit	Total
----- (Rupees) -----				
Balance as at 1 July 2014	20,000,000	(51,049)	48,250,201	68,199,152
Total comprehensive income for the year ended 30 June 2015				
Profit for the year	-	-	1,952,572	1,952,572
<i>Other comprehensive income</i>				
Unrealized gain on re-measurement of available for sale investment	-	327,498	-	327,498
	-	327,498	1,952,572	2,280,070
Balance as at 30 June 2015	20,000,000	276,449	50,202,773	70,479,222
Total comprehensive income for the year ended 30 June 2016				
Profit for the year	-	-	819,150	819,150
<i>Other comprehensive income</i>				
Unrealized gain on re-measurement of available for sale investments - reclassified to profit or loss	-	(276,449)	-	(276,449)
	-	(276,449)	819,150	542,701
Balance as at 30 June 2016	20,000,000	-	51,021,923	71,021,923

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

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Chief Executive


Director