

**HYDERABAD CHAMBER OF SMALL
TRADERS AND SMALL INDUSTRY
(The Company Limited by Guarantee)**

**AUDITED
FINANCIAL STATEMENTS
AS AT JUNE 30, 2017**



TANWIR ARIF & CO.

Chartered Accountants

Flat # A-4, Anwar Centre Unit # 7,
Latifabad, Hyderabad. Ph: 022-3818598
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TANWIR ARIF & CO.

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Statement of Financial Position of **Hyderabad Chamber of Small Traders and Small Industry (the Company Limited by Guarantee)** as at 30th June, 2017 and the related Statement of Revenue and Expenditure together with notes forming part thereof, for the period 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.

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 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 Financial Position and Statement of Revenue and Expenditure 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 period was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the period 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 Financial Position, and Statement of Revenue and Expenditure 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 surplus, and its cash flows for the period then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Flat A-4, Anwar Centre, Unit No. 7, Latifabad, Hyderabad.

Tel: (022) 3818598 E. mail tanwirarif@yahoo.com, tanwirarifandco@yahoo.com



TANWIR ARIF & CO.

Chartered Accountants

Without qualifying our opinion, we draw attention to note no. 9 to the financial statements. As fully explained in the note as at June 30, 2017, the Company was incorporated as a Limited by Guarantee under the Companies Ordinance, 1984 on 1st February, 2017 and started its operations from 1st January, 2016. The opening balances taken as on 1st February, 2017 were approved by the management of the Company.


TANWIR ARIF & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner - Tanwir Arif

HYDERABAD

DATED 25 SEP 2018

Flat A-4, Anwar Centre, Unit No. 7, Latifabad, Hyderabad.

Tel: (022) 3818598 E. mail tanwirarif@yahoo.com, tanwirarifandco@yahoo.com

**HYDERABAD CHAMBER OF SMALL
TRADERS AND SMALL INDUSTRY**

Limited by Guarantee

**A Company set up under section 32 of the Companies Ordinance, 1984
(Now Companies Act, 2017)**

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017**

	Notes	RUPEES 2017
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4	676,608
CURRENT ASSETS		
Security deposit against rent		50,000
Cash and bank balances	5	68,753
		118,753
		795,361
FUNDS AND LIABILITIES		
Accrued and other liabilities	6	389,591
NET ASSETS		405,770
REPRESENTED BY		
General Fund		
Opening balance		-
Surplus for the period		405,770
		405,770

NOTE:

1. Auditors' report is attached
2. The annexed notes from 1 to 13 form an integral part of these financial statements

PRESIDENT

PRESIDENT
HYDERABAD CHAMBER OF
SMALL TRADERS AND SMALL INDUSTRY

**SENIOR VICE
PRESIDENT**

SENIOR VICE PRESIDENT
HYDERABAD CHAMBER OF
SMALL TRADERS AND SMALL INDUSTRY

**GENERAL
SECRETARY**

SECRETARY GENERAL
HYDERABAD CHAMBER OF SMALL TRADERS
& SMALL INDUSTRY

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STATEMENT OF REVENUE AND EXPENDITURE FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

	Notes	RUPEES 2017
REVENUE		
Revenue	7	3,710,550
EXPENDITURE		
Administrative expenses	8	3,304,780
Surplus for the period carried to balance sheet		<u>405,770</u>

NOTE: The annexed notes from 1 to 13 form an integral part of these financial statements.


PRESIDENT

PRESIDENT
HYDERABAD CHAMBER OF
SMALL TRADERS AND SMALL INDUSTRY


SENIOR VICE
PRESIDENT

SENIOR VICE PRESIDENT
HYDERABAD CHAMBER OF
SMALL TRADERS AND SMALL INDUSTRY


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NOTES TO THE ACCOUNTS

FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

Hyderabad Chamber of Small Traders and Small Industry was incorporated in Pakistan as a Limited by Guarantee under Section 32 of the Companies Ordinance, 1984 (Now Companies Act, 2017) on 1st February, 2017.

The Company has obtained Licence bearing no. 203 dated January 15, 2016 issued by Regulator of Trade Organisations, Government of Pakistan Ministry of Commerce granted under section 3(2)(f) of the Trade Organizations Act, 2013.

The aim of the Chamber, which is non-political, is advancement, development and to safeguard and promote the rights of members, traders and industrialists of Hyderabad. The operations of the entity were commenced in January, 2016 as fully explained in note no. 9 to these financial statements.

The registered office of the Company is situated at Naz & Bilal Shopping Mall, 41/499/1, First Floor, Saddar Hyderabad.

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 for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as are notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 929 (I) / 2015, dated September 10, 2015 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular dated 20 July, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Functional and presentation currency

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



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FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

2.3 Basis of measurement

These financial statements have been prepared under the "historical cost" convention except as otherwise disclosed in the accounting policies below. The company has not adopted any procedure to determine the impact on account of inflation or changes in the general price level.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is charged on pro-rata basis at the rates mentioned in note 4 under reducing balance method. Normal repair and maintenance are charged to expense as and when incurred. However, major repair and improvements are capitalized.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and balance with bank.

3.4 Accrued and other payables

Accrued and other payables are carried at cost which is the fair value of the consideration to be paid or given in future for services received or any other amount of liability accruing, whether or not billed to the company.

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FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

3.5 Taxation

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Company is allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final tax payable, under any of the provisions of the Ordinance, subject to conditions as outlined in section 100C.

Accordingly, no provision for tax has been recognised in the financial statements of the Company.

3.6 Related Party Transactions

Transactions between the company and related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method which sets the price by reference to comparable goods purchased and services received etc provided in an economically comparable market to a unrelated seller. In case when comparable prices from the market are not available, approval of the Executive Committee is obtained.

3.7 Financial Assets and Liabilities

All financial assets and liabilities are initially recognized at cost which is fair value for the consideration received or given. These financial assets and liabilities are subsequently measured at fair value.

3.8 Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amount and the company intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Revenue recognition

Revenue is recognized on actual receipt of subscription and donations from members.

3.10 Figures

Figures have been rounded off to the nearest rupee.



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NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

4. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION				WDV AS AT 30.06.2017
	Opening balance taken as per Note no. 9	Additions / (Deletions)	AS ON 30.06.2017	Accumulated as at 01.02.2017	Charged for the year	Accumulated as at 30.06.2017	Rate	
Air conditioners	255,600	-	255,600	-	15,975	15,975	15%	239,625
Computers and accessories	60,100	-	60,100	-	7,513	7,513	30%	52,587
Furniture, fixtures and fittings	334,154	-	334,154	-	20,885	20,885	15%	313,269
Office equipments	55,000	-	55,000	-	3,438	3,438	15%	51,562
Crockery and docuration items	22,360	-	22,360	-	2,795	2,795	30%	19,565
30.06.2017	727,214	-	727,214	-	50,606	50,606		676,608

727.

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NOTES TO THE ACCOUNTS

FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

RUPEES 2017

5 CASH AND BANK BALANCES

Cash in hand	48,647
Meezan Bank Limited A/c # 0102156159	20,106
	<u>68,753</u>

6 ACCRUED AND OTHER LIABILITIES

Loan from Mr. Sikandar Rajput	100,000
Salary payable	62,000
Utilities payable	17,591
Rent payable	180,000
Audit fee payable	30,000
	<u>389,591</u>

7 REVENUE

Membership, card and other fees	1,583,550
Donation from members	2,127,000
	<u>3,710,550</u>

8 ADMINISTRATIVE EXPENSES

Salaries and other benefits	987,440
Advertisement	129,200
Communication and utilities	287,944
Registration expenses	233,950
Entertainment and refreshment	115,454
Rent expense	180,000
Fee and subscription	180,300
Meetings, conferences and events	582,960
Printing and stationary	97,735
Printing of diary	232,840
Repair and maintenance	80,532
Miscellaneous and general expenses	113,924
Audit fee	30,000
Bank Charges	1,895
Depreciation	50,606
	<u>3,304,780</u>

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NOTES TO THE ACCOUNTS

FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

**RUPEES
2017**

9 OPENING BALANCES

The company was registered on February 01, 2017, while entity has started its operations from January 01, 2016.

Balances appearing till incorporation are taken by the management as opening balances. Detail of opening balances as on January 31, 2017 are as under:

BALANCE SHEET

Assets

Property, plant and equipment - as per note no. 4

727,214

Cash and bank balances

Cash in hand

81

Meezan Bank Limited A/c # 0102156159

103,309

103,390

Total Assets

830,604

Accrued and other liabilities

Loan from Mr. Akram Ansari

45,000

Loan from Mr. Arif Memon

206,600

Loan from Mr. Sikandar Rajput

100,000

Rent payable

130,000

481,600

Net Assets

349,004

REVENUE AND EXPENDITURE ACCOUNT

Revenue

Membership, card and other fees

599,000

Donation from members

1,597,600

2,196,600

Expenditure

Salaries and other benefits

564,000

Advertisement

81,100

Communication and utilities

173,548

Entertainment and refreshment

71,773

Rent expense

130,000

Fee and subscription

105,300

Meetings, conferences and events

196,810

Printing and stationary

80,953

Printing of diary

225,200

Repair and maintenance

51,472

Miscellaneous and general expenses

64,398

Bank Charges

1,542

1,746,096

Revenue over expenditure

450,504

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NOTES TO THE ACCOUNTS

FOR THE PERIOD FROM FEBRUARY 01, 2017 TO JUNE 30, 2017

10 REMUNERATION OF PRESIDENT, SENIOR VICE PRESIDENT, VICE PRESIDENT AND OTHER EXECUTIVES

Members of the Hyderabad Chamber of Small Traders and Small Industry do not receive any additional remuneration or benefits in return of their responsibilities.

11 RELATED PARTY DISCLOSURE AND TRANSACTIONS

S. #	Names	Designation
1)	Muhammad Akram Ansari	President
2)	Sikandar Ali Rajput	Senior Vice President
3)	Doulat Ram	Vice President
4)	Naeem Uddin	Member Executive
5)	Asad Ghangra	Member Executive
6)	Shoukat Khayyam	Member Executive
7)	Pervaiz Fahim Noor Wala	Member Executive
8)	Rafhan Uddin Ahmed	Member Executive
9)	Nadeem Ahmed Siddiqui	Member Executive
10)	Saleem Uddin Qureshi	Member Executive

Followings are the related party transactions except for membership fee and donations from members:

	Amount in Rupees
i) Goods and services providing	-
ii) Goods received and receiving of services	-
Mr. Saleem Uddin Qureshi - Rent	180,000
iii) Loans and advances (returned) / received - Net	
Mr. Saleem Uddin Qureshi - Security deposit against rent	50,000
Mr. Sikandar Rajput	100,000
iv) Any other transaction	-

12 NUMBER OF EMPLOYEES

Total number of employees at the end of the year were 5.

13 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statement were authorized for issue on _____
by the Executive Committee of the Chamber.

25 SEP 2018

PRESIDENT

PRESIDENT

HYDERABAD CHAMBER OF
SMALL TRADERS AND SMALL INDUSTRY

SENIOR VICE
PRESIDENT

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