

**Required:**

In the light of the provisions of the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 advise the trustees in respect of the above. **(8 marks)**

**Question No 3:**

Shiraz Limited (SL) is a listed company and operates an employees' provident fund. The size of the fund is Rs. 500 million. The break-up of the investment made by the fund is as under:

	Rs. in million
Government securities	210
Listed debt securities	100
Shares in the listed companies	120
Bank balances	70

The trustees intend to make the following investments:

(i) Rs. 20 million in listed debt securities of Faizan Limited (FL). Total amount of debt securities issued by FL is Rs. 200 million.

(ii) Rs. 40 million in the shares of Beta Textiles Limited (BTL), a listed company. Total paid up capital of BTL is Rs. 600 million and market capitalization is Rs. 800 million.

The fund has not made any investment in the above companies previously.

**Required**

Being the financial consultant of the company, you are required to advise SL regarding the following matters in the light of the provisions of the Employees Contributory Fund (Investment in Listed Securities) Regulations, 2018:

(a) whether the trustees can make the above investments. **(4.5 marks)**

(b) what other conditions have to be met for making the above investments **(4.5 marks)**

**Question No 4:**

In May 2014, Metro Limited (ML) acquired majority shareholding in Metro Securities (Private) Limited (MSPL). ML and MSPL close their books of account on 31 December and 30 June respectively. The financial statements of ML for the year ending 31 December 2014 will be presented to the shareholders in upcoming annual general meeting of the company.

**Requirement:**

State the responsibilities of ML as a holding company and MSPL as its subsidiary, under the provisions of the Companies Act, 2017 in respect of preparation of consolidated financial statements. **(6 marks)**

**Question No 5:**

The group secretary of T20 Group of Companies have approached you for guidance related to different formalities regarding audit and accounts etc of the following private companies under their group.