

**PASHA SECURITIES
(PRIVATE) LIMITED**

**Financial Statements
For the Quarter Ended 30 September, 2014**

PASHA SECURITIES (PRIVATE) LIMITED

Balance Sheet

As at 30 September, 2014

		Sep, 2014	Jun, 2014
	Note	Rupees	Rupees
Non-Current Assets			
Fixed assets			
Property and equipment	4.1	14,512,432	14,909,318
Intangible asset	4.2	4,000,000	4,000,000
		18,512,432	18,909,318
Long term investments	6	30,346,030	30,346,030
Long term deposits	7	525,000	525,000
		30,871,030	30,871,030
Current Assets			
Accounts receivables	8	12,464,634	7,600,490
Short Term Investments	9	-	-
Advances, deposits and prepayments	10	886,219	845,565
Cash and bank balances	11	11,932,467	16,538,140
		25,283,320	24,984,195
		74,666,781	74,764,543
Equity and Liabilities			
Authorized	12	45,000,000	45,000,000
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each			
Issued, subscribed and paid up	13	43,815,800	43,815,800
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid			
Unappropriated profit / (loss)		2,450,578	2,208,821
		46,266,378	46,024,621
Share deposit money		7,000,000	7,000,000
Non-Current Liabilities			
Deferred Tax Liability	14	2,768,239	1,768,239
Current Liabilities			
Trade creditors	15	18,560,588	19,506,729
Other payable	16	30,774	424,152
Provision for taxation	17	40,802	40,802
		18,632,164	19,971,683
Contingencies and commitments	18	74,666,781	74,764,543

The annexed notes 1 to 28 form an integral part of these financial statements.

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Profit and Loss Account

For the Quarter ended 30 September, 2014

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
Revenue			
Income from brokerage	19	648,515	4,080,241
Un-realised gain/(loss) on securities	10	-	-
		648,515	4,080,241
Operating and administrative expenses	20	(1,449,883)	(6,721,387)
Profit / (loss) from operation		(801,368)	(2,641,146)
Financial charges	21	(1,107)	(10,160)
Other income/(loss)	22	1,044,232	1,525,534
Profit / (Loss) before taxation		241,757	(1,125,772)
Taxation	17	-	5,764,594
Profit / (loss) after taxation		241,757	4,638,822

The annexed notes 1 to 28 form an integral part of these financial statements.

Lahore:

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Cash Flow Statement

For the Quarter ended 30 September, 2014

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
Cash flows from operating activities			
Profit before taxation		241,757	(1,125,772)
Adjustments for non cash items:			
Depreciation and Impairment		396,887	1,791,593
Financial charges		1,107	10,160
		<u>397,994</u>	<u>1,801,753</u>
Operating profit before working capital changes		639,750	675,981
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts Receivable		(4,864,144)	(507,868)
Short Term Investments		-	-
Advances, deposits and prepayments		(40,654)	500
Trade Payable		(946,141)	5,539,391
Other Payable		(393,378)	-
		<u>(6,244,317)</u>	<u>5,032,023</u>
		<u>(6,244,317)</u>	<u>5,032,023</u>
Cash utilized in operations		(5,604,566)	5,708,004
Financial charges paid		(1,107)	(10,160)
Taxes paid		-	(74,636)
		<u>(1,107)</u>	<u>(84,796)</u>
Net cash used in operating activities		(5,605,673)	5,623,208
Cash flows from investing activities			
Purchase of Assets		-	(17,600)
Long term deposits		-	-
Net cash used in investing activities		-	(17,600)
Cash flows from financing activities			
Issue of share capital		1,000,000	7,000,000
Share deposit money		-	-
Net cash generated from financing activities		1,000,000	7,000,000
Net (decrease)/increase in cash and cash equivalents		(4,605,673)	12,605,609
Cash and cash equivalents at the beginning of the year		16,538,139	3,932,531
Cash and cash equivalents at the end of the year	9	11,932,466	16,538,139

The annexed notes 1 to 28 form an integral part of these financial statements.

Lahore:

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Statement of Changes in Equity

For the Quarter ended 30 September, 2014

	Share capital	Share premium	General reserve	Unappropriated profit/ (Loss)	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2013	43,815,800	-	-	(2,430,001)	41,385,799
Net profit / (loss) for the year ended 30 June 2015	-	-	-	4,638,822	4,638,822
Balance as at 30 June 2014	<u>43,815,800</u>	<u>-</u>	<u>-</u>	<u>2,208,821</u>	<u>46,024,621</u>
Balance as at 01st July 2014	43,815,800	-	-	2,208,821	46,024,621
Share issue during the year	4,000,000	-	-	-	4,000,000
Net profit / (loss) for the year ended 30 September, 2014	-	-	-	241,757	241,757
Balance as at 30th September, 2014	<u>47,815,800</u>	<u>-</u>	<u>-</u>	<u>2,450,578</u>	<u>50,266,378</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

Lahore:

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements

For the Quarter ended 30 September, 2014

1 The Company's operations and registered office

The company was incorporated on March 15, 2006 under the Companies Ordinance 1984 as a Private Limited company at Islamabad and is primarily engaged in the business of stocks, brokerage, investment advisory consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in the initial public offerings(IPO's) and providing all relative services to the general public to promote investment and company does not hold assets in fiduciary capacity. Company headoffice is situated at Stock Exchange Building Islamabad.

2 Statement of compliance

These accounts have been prepared in accordance with the approved International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, as applicable in Pakistan. Approved Accounting Standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by The Institute of Chartered Accountants of Pakistan and the requirements of the Companies Ordinance, 1984, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the Rules, the Regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

3 Significant accounting policies

3.1 Accounting Convention

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

3.2 Property and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress are stated at Cost.

Depreciation is calculated using the reducing balance method, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives. The Depreciation on property and equipment is charged on monthly basis.

3.3 Intangible assets

This is stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.4 Long Term Deposits and Loans

Long term deposits and Loans are stated at Cost.

3.5 Loans and Receivables

These are non derivative financial Assets with fixed or determinable payments that are not quoted in an active market. Such assets are carries at amortised cost using the the effective interest method. Gains and losses are recognised in income when the loans and receivables are de-recognised or impaired as well as through the amortization process.

3.6 Taxation

Current

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any. On Income subject to Normal Taxation and no presumptive basis on Income subject to Final Taxation.

Deffered Taxation

The company accounts for deffered taxation, using the liability method on all temporary timing differences. However, deffered tax is no provided if it can be established with reasonable accuracy that these differences will not reserve in the foreseeable future.

3.7 Trade and settlement date accounting

All " regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.8 Securities under repurchase/ reverse repurchase agreements

Transactions of repurchase/ reverse repurchase of investment securities are entered into at contracted rate for specified periods of time and are accounted for as follows.

3.9 Revenue recognition

- a) Brokerage, advisory fees, commission and other income are accrued as and when due.
- b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- c) Gains or losses on sale of investments are recognized in the period in which they arise.
- d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- e) Consultancy, advisory fee and service charges are recognized as and when earned.
- f) Unrealized capital gains/(losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

3.10 Return on financing and borrowings

Return on financing and borrowings is recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.11 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

3.13 Contingencies and Commitments

Capital commitments and Contingences, unless those are actual liabilities, are not incorporated in the accounts.

	<i>Note</i>	Sep, 2014	Jun, 2014
		Rupees	Rupees
4 Fixed assets			
Property and equipment	<i>4.1</i>	14,512,432	-
Intangible	<i>4.2</i>	4,000,000	4,000,000
		18,512,432	4,000,000

4 Property and Equipmnt

PASHA SECURITIES (PRIVATE) LIMITED

4.1 Tangible

PARTICULARS	COST				DEPRECIATION			Book value as at September 2014	Depreciation rate %
	As at 1 July 2013	Additions during the year	Deletions during the year	As at September 2014	As at 1 July 2013	For the year	As at September 2014		
OWNED									
Building	22,247,146			22,247,146	8,455,818	344,783	8,800,601	13,446,545	10
Office equipments	553,195	-	-	553,195	376,227	6,636	382,863	170,332	15
Computer equipments	404,636	-	-	404,636	339,381	4,894	344,275	60,361	30
Furniture and Fixture	610,364			610,364	353,126	9,646	362,772	247,592	15
Vehicles	3,603,320			3,603,320	2,984,791	30,926	3,015,717	587,603	20
<i>Rupees</i>	27,418,661	-	-	27,418,661	12,509,343	396,887	-	12,906,230	14,512,432
Sep, 2014									

4.2 Intangible Asset

	Sep, 2014	Jun, 2014
	Rupees	Rupees
Membership card value	4,000,000	4,000,000
	4,000,000	4,000,000

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
6	Long term investments		
	Lahore Stock Exchange Financial Services Limited		
	Shares - Unquoted	3,034,603	3,034,603
	Price	10	10
		<u>30,346,030</u>	<u>30,346,030</u>
6.1	These represent the shares received from ISE Towers REIT Management Limited (Formerly Islamabad Stock Exchange (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act.). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE which now has become TREC of Pakistan Stock Exchange Limited after integration of the Stock Exchanges.		
6.3	Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% shares are transferred to CDC sub-account in company's name under ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor's), general public and financial institutions. Now all these shares as 3,034,603 are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC". As the fair value of both the asset transfer and assets obtain can not be determined with reasonable accuracy, the investment in shares has been recorded at the face value of Rs. 10/- each in the Company's book.		
6.4	No tax provision has been made on Gain on exchange of membership card with TREC, as such gain is exempted from tax under clause 110B of Second Schedule of Income Tax Ordinance , 2001.		
7	Long term deposits		
	CDC deposits ISETRMCL	100,000	100,000
	NCCPL membership	100,000	100,000
	ISETRMCL clearing house deposit	300,000	300,000
	Future Trading	25,000	25,000
		<u>525,000</u>	<u>525,000</u>
8	Accounts receivables		
	Accounts receivables	12,464,634	7,600,490
	<i>8.1</i>	<u>12,464,634</u>	<u>7,600,490</u>
8.1	Receivables from clients relate to operating revenues and are secured but considered good by the Management.		
9	Short Term Investments		
	Cost of investment in listed securities	-	-
	Un-realised gain/(loss) on securities	-	-
		<u>-</u>	<u>-</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Sep, 2014	Jun, 2014
		Rupees	Rupees
This amount represents the investment in different listed securities valued at the closing market rates as at June 30, 2016			
10 Advances, deposits and prepayments			
Advance Income Tax		115,293	74,639
Advances		203,900	203,900
Income tax Refundable		567,026	567,026
		<u>886,219</u>	<u>845,565</u>
11 Cash and bank balances			
Cash in hand		3,097	2,286
Cash in Bank			
In saving/ Profit Accounts		-	-
In Current Accounts		11,929,370	16,535,854
		<u>11,929,370</u>	<u>16,535,854</u>
		<u>11,932,467</u>	<u>16,538,140</u>
12 Share capital			
Authorized			
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each		45,000,000	45,000,000
		<u>45,000,000</u>	<u>45,000,000</u>
13 Issued, subscribed and paid up			
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid		43,815,800	43,815,800
		<u>43,815,800</u>	<u>43,815,800</u>
14 Deferred Tax Liability			
		1,768,239	1,768,239
		<u>1,768,239</u>	<u>1,768,239</u>
15 Trade creditors			
Trade creditors		18,560,588	19,506,729
		<u>18,560,588</u>	<u>19,506,729</u>
16 Other payable			
Other payable		30,774	424,152
		<u>30,774</u>	<u>424,152</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
17	Provision for taxation - Net		
	Opening Balance	-	
	Deffered Tax	-	(5,805,396)
	Current year taxation	-	40,802
		-	(5,764,594)
	Less		
	Adjusted against Advance Tax	-	-
		-	(5,764,594)
18	Contingencies and Commitments		
18.1	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 337,590 ordinary shares of LSEFSL with PSX in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the PSX.		
19	Income from brokerage		
	Commission Income - Net	648,515	4,080,241
		648,515	4,080,241
20	Operating and administrative expenses		
	Staff Salaries	233,500	1,013,420
	Director's remuneration	283,000	1,556,500
	Purchases	-	755,850
	Electricity and gas charges	13,507	288,085
	Communication Expense	25,513	102,929
	Postage and Courier Charges	4,897	14,059
	Entertainment	90,633	229,866
	Printing and Stationary	11,670	43,152
	I.S.E Service and Maintenance Charges	43,699	88,754
	CDC Charges	75,355	209,898
	NCCPL Charges	58,990	116,394
	Insurance Charges	27,210	13,112
	Charity and Donation	-	10,000
	Travelling and Lodging	4,500	6,500
	Newspaper and Magazine	1,378	5,162
	Auditor remuneration	-	67,200
	Legal & professional charges	8,635	-
	Vehicle running and maintenance	164,764	194,682
	Repair and Maintenance	-	90,340
	Depreciation	396,887	1,791,593
	Advertisement	-	-
	Water Bills	-	957
	Fee and subscription	-	900
	ISE Utilities	-	101,760
	Misc Expenses	5,745	20,274
		1,449,883	6,721,387
20.1	Auditor remuneration		
	Audit Fee	-	67,200
	Out of Pocket Expenses	-	-
		-	67,200

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
21 Financial charges			
Bank charges		1,107	10,160
		<u>1,107</u>	<u>10,160</u>
22 Other Income / (loss)			
CDC Conversion Charges		297,888	1,008,405
Profit on Deposit		746,344	517,129
Dividend Income		-	-
		<u>1,044,232</u>	<u>1,525,534</u>

23 Taxation

23.1 This represent Current Taxation which has been provided Under Section 233A of Income Tax Ordinance, 2001 and Normal Taxation on other Income.

23.2 Deferred Taxation has not been provided as the Company is subject to Presumptive Taxation.

24 Remuneration of Chief Executive, Directors and Executives

	Sep, 2014	Jun, 2014 Re-stated
<u>Managerial Remuneration including House Rent & Utility</u>		
Chief Executive	-	-
Executives	-	-
Directors		1,556,500
	<u>-</u>	<u>1,556,500</u>

25 Accounting Estimates And Judgments

25.1 Property, plant and equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation

25.2 Intangible assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

25.3 Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of

25.4 Trade debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Sep, 2014 Rupees	Jun, 2014 Rupees
26	Number of employees		

Total number of employees at the end of year was 6 (2015: 6). Average number of employees was 6 (2015: 6)

27 Authorization

27.1 These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

28 General

28.1 Figures have been rounded off to the nearest of rupee.

28.2 Corresponding figures have been rearranged, wherever necessary for the purposes of comparison. However, no significant rearrangement / reclassification have been made in these financial statements.

The annexed notes 1 to 28 form an integral part of these financial statements.

Chief Executive

Director