

**PASHA SECURITIES
(PRIVATE) LIMITED**

**Financial Statements (Un-Audited)
For the Quarter Ended 31 December, 2014**

PASHA SECURITIES (PRIVATE) LIMITED

Balance Sheet

As at 31 December, 2014

		Dec, 2014	Jun, 2014
	Note	Rupees	Rupees
Non-Current Assets			
Fixed assets			
Property and equipment	4.1	14,115,545	14,909,318
Intangible asset	4.2	4,000,000	4,000,000
		18,115,545	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	7,344,572	7,600,490
Short Term Investments	9	-	-
Advances, deposits and prepayments	10	925,689	845,565
Cash and bank balances	11	8,890,302	16,538,140
		17,160,563	24,984,195
		66,147,138	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)		2,151,706	2,208,821
		45,967,506	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	10,031,433	19,506,729
Other payable	16	379,960	424,152
Provision for taxation	17	-	40,802
		10,411,393	19,971,683
Contingencies and commitments	18	66,147,138	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 31 December, 2014

	<i>Note</i>	Dec, 2014 Rupees	Jun, 2014 Rupees
Revenue			
Income from brokerage	19	1,825,248	4,080,241
Un-realised gain/(loss) on securities	10	-	-
		1,825,248	4,080,241
Operating and administrative expenses	20	(3,197,235)	(6,721,387)
Profit / (loss) from operation		(1,371,988)	(2,641,146)
Financial charges	21	(4,714)	(10,160)
Other income/(loss)	22	1,319,587	1,525,534
Profit / (Loss) before taxation		(57,115)	(1,125,772)
Taxation	17	-	5,764,594
Profit / (loss) after taxation		(57,115)	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 31 December, 2014

	Note	Dec, 2014 Rupees	Jun, 2014 Rupees
Cash flows from operating activities			
Profit before taxation		(57,115)	(1,125,772)
Adjustments for non cash items:			
Depreciation and Impairment		793,773	1,791,593
Financial charges		4,714	10,160
		798,487	1,801,753
Operating profit before working capital changes		741,372	675,981
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts Receivable		255,918	(507,868)
Short Term Investments		-	-
Advances, deposits and prepayments		(80,124)	500
Trade Payable		(9,475,296)	5,539,391
Other Payable		(44,192)	-
		(9,343,695)	5,032,023
		(9,343,695)	5,032,023
Cash utilized in operations		(8,602,322)	5,708,004
Financial charges paid		(4,714)	(10,160)
Taxes paid		(40,801)	(74,636)
		(45,515)	(84,796)
Net cash used in operating activities		(8,647,837)	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		(7,647,837)	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	8,890,302	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 31 December, 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	43,815,800	-	-	2,208,821	46,024,621
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 31 December, 2014	-	-	-	(57,115)	(57,115)
Balance as at 30th December, 2014	47,815,800	-	-	2,151,706	49,967,506

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 31 December, 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.

		Dec, 2014	Jun, 2014
	<i>Note</i>	Rupees	Rupees
4 Fixed assets			
Property and equipment	4.1	14,115,545	-
Intangible	4.2	4,000,000	4,000,000
		<u>18,115,545</u>	<u>4,000,000</u>

4 Property and Equipmnt

PASHA SECURITIES (PRIVATE) LIMITED

4.1 Tangible

PARTICULARS	COST				DEPRECIATION				Book value as at December 2014	Depreciation rate %
	As at 1 July 2013	Additions during the year	Deletions during the year	As at December 2014	As at 1 July 2013	For the year	Deletions	As at December 2014		
OWNED										
Building	22,247,146			22,247,146	8,455,818	689,566		9,145,384	13,101,762	10
Office equipments	553,195	-	-	553,195	376,227	13,273	-	389,500	163,695	15
Computer equipments	404,636	-	-	404,636	339,381	9,788	-	349,169	55,467	30
Furniture and Fixture	610,364			610,364	353,126	19,293		372,419	237,945	15
Vehicles	3,603,320			3,603,320	2,984,791	61,853		3,046,644	556,676	20
									-	
<i>Rupees</i>	Dec, 2014			27,418,661	12,509,343	793,773	-	13,303,116	14,115,545	

4.2 Intangible Asset

	Dec, 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>	Dec, 2014 Rupees	Jun, 2014 Rupees
6 Long term investments			
Lahore Stock Exchange Financial Services Limited			
Shares - Unquoted		3,034,603	3,034,603
Price		<u>10</u>	<u>10</u>
		<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		<u>25,000</u>	<u>25,000</u>
		<u>525,000</u>	<u>525,000</u>
8 Accounts receivables			
Accounts receivables		<u>7,344,572</u>	<u>7,600,490</u>
	<i>8.1</i>	<u>7,344,572</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>
		<u>-</u>	<u>-</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec, 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		154,763	74,639
Advances		203,900	203,900
Income tax Refundable		567,026	567,026
		<u>925,689</u>	<u>845,565</u>
11 Cash and bank balances			
Cash in hand		12,788	2,286
Cash in Bank			
In saving/ Profit Accounts		-	-
In Current Accounts		8,877,514	16,535,854
		<u>8,877,514</u>	<u>16,535,854</u>
		<u>8,890,302</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		10,031,433	19,506,729
		<u>10,031,433</u>	<u>19,506,729</u>
16 Other payable			
Other payable		379,960	424,152
		<u>379,960</u>	<u>424,152</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec, 2014	Jun, 2014
		Rupees	Rupees
17 Provision for taxation - Net			
Opening Balance		-	
Deffered Tax		-	(5,805,396)
Current year taxation		-	40,802
		<u>-</u>	<u>(5,764,594)</u>
Less			
Adjusted against Advance Tax		-	-
		<u>-</u>	<u>(5,764,594)</u>
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		1,825,248	4,080,241
		<u>1,825,248</u>	<u>4,080,241</u>
20 Operating and administrative expenses			
Staff Salaries		537,500	1,013,420
Director's remuneration		844,434	1,556,500
Purchases		-	755,850
Electricity and gas charges		75,836	288,085
Communication Expense		71,040	102,929
Postage and Courier Charges		8,567	14,059
Entertainment		175,026	229,866
Printing and Stationary		21,606	43,152
I.S.E Service and Maintenance Charges		329,058	88,754
CDC Charges		144,486	209,898
NCCPL Charges		88,089	116,394
Insurance Charges		27,210	13,112
Charity and Donation		2,000	10,000
Travelling and Lodging		5,500	6,500
Newspaper and Magazine		2,538	5,162
Auditor remuneration	<i>20.1</i>	-	67,200
Legal & professional charges		43,470	-
Vehicle running and maintenance			194,682
Repair and Maintenance		21,900	90,340
Depreciation	<i>4.1</i>	793,773	1,791,593
Advertisement		-	-
Water Bills		-	957
Fee and subscription			900
ISE Utilities		-	101,760
Misc Expenses		5,202	20,274
		<u>3,197,235</u>	<u>6,721,387</u>
20.1 Auditor remuneration			
Audit Fee		-	67,200
Out of Pocket Expenses		-	-
		<u>-</u>	<u>67,200</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec, 2014	Jun, 2014
		Rupees	Rupees
21	Financial charges		
	Bank charges	4,714	10,160
		<u>4,714</u>	<u>10,160</u>
22	Other Income / (loss)		
	CDC Conversion Charges	574,243	1,008,405
	Profit on Deposit	745,344	517,129
	Dividend Income	-	-
		<u>1,319,587</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

	Dec, 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>	Dec, 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