

**PASHA SECURITIES  
(PRIVATE) LIMITED**

**Financial Statements Un-Audited  
For the Quarter Ended 31 March, 2017**

# PASHA SECURITIES (PRIVATE) LIMITED

## Balance Sheet

As at 31 March, 2017

		Mar, 2017	Jun, 2016
	Note	Rupees	Rupees
<b>Non-Current Assets</b>			
Fixed assets			
Property and equipment	4.1	11,042,766	11,997,462
Intangible asset	4.2	4,000,000	4,000,000
		<b>15,042,766</b>	<b>15,997,462</b>
Long term investments	6	30,346,030	30,346,030
Long term deposits	7	200,000	200,000
		<b>30,546,030</b>	<b>30,546,030</b>
<b>Current Assets</b>			
Accounts receivables	8	4,148,566	4,125,609
Short Term Investments	9	1,354,371	1,032,520
Advances, deposits and prepayments	10	1,068,622	1,049,911
Cash and bank balances	11	32,859,930	10,245,862
		<b>39,431,489</b>	<b>16,453,902</b>
		<b>85,020,285</b>	<b>62,997,394</b>
<b>Equity and Liabilities</b>			
<b>Authorized</b>	12	<b>49,000,000</b>	<b>49,000,000</b>
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each			
<b>Issued, subscribed and paid up</b>	13	47,815,800	47,815,800
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid			
<b>Unappropriated profit / (loss)</b>		4,300,608	3,095,855
		<b>52,116,408</b>	<b>50,911,655</b>
<b>Share deposit money</b>		1,550,000	1,500,000
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	14	-	-
<b>Current Liabilities</b>			
Trade creditors	15	31,521,010	10,339,254
Other payable	16	(167,133)	199,400
Provision for taxation	17	-	47,085
		<b>31,353,877</b>	<b>10,585,739</b>
<b>Contingencies and commitments</b>	18	<b>85,020,285</b>	<b>62,997,394</b>

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 March, 2017

	<i>Note</i>	<b>Mar, 2017</b> <b>Rupees</b>	<b>Jun, 2016</b> <b>Rupees</b>
<b>Revenue</b>			
Income from brokerage	19	6,583,614	4,708,498
Un-realised gain/(loss) on securities	10	-	-
		<b>6,583,614</b>	<b>4,708,498</b>
Operating and administrative expenses	20	(5,963,433)	(5,956,552)
<b>Profit / (loss) from operation</b>		<b>620,181</b>	<b>(1,248,054)</b>
Financial charges	21	(6,111)	(5,222)
Other income/(loss)	22	590,684	1,547,189
<b>Profit / (oss) before taxation</b>		<b>1,204,754</b>	<b>293,913</b>
Taxation	17	-	1,395,455
<b>Profit / (loss) after taxation</b>		<b>1,204,754</b>	<b>1,689,368</b>

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 March, 2017

	Mar, 2017 Rupees	Jun, 2016 Rupees
<b>Cash flows from operating activities</b>		
Profit before taxation	1,204,754	293,913
<b>Adjustments for non cash items:</b>		
Depreciation and Impairment	958,695	1,445,415
Financial charges	6,111	5,222
	<b>964,805</b>	<b>1,450,637</b>
<b>Operating profit before working capital changes</b>	<b>2,169,559</b>	<b>1,744,550</b>
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in:		
Accounts Receivable	(22,957)	3,616,700
Short Term Investments	(321,851)	(1,032,520)
Advances, deposits and prepayments	(18,711)	(107,133)
Trade Payable	21,181,756	(3,793,932)
Other Payable	(366,533)	(210,761)
	<b>20,451,704</b>	<b>(1,527,646)</b>
	<b>20,451,704</b>	<b>(1,527,646)</b>
<b>Cash utilized in operations</b>	<b>22,621,263</b>	<b>216,904</b>
Financial charges paid	(6,111)	(5,222)
Taxes paid	(47,085)	(63,621)
	<b>(53,196)</b>	<b>(68,843)</b>
<b>Net cash used in operating activities</b>	<b>22,568,068</b>	<b>148,061</b>
<b>Cash flows from investing activities</b>		
Purchase of Assets	(4,000)	(92,000)
Long term deposits	-	325,000
<b>Net cash used in investing activities</b>	<b>(4,000)</b>	<b>233,000</b>
<b>Cash flows from financing activities</b>		
Issue of share capital	-	4,000,000
Share deposit money	50,000	(5,500,000)
<b>Net cash generated from financing activities</b>	<b>50,000</b>	<b>(1,500,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>22,614,068</b>	<b>(1,118,938)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,245,860</b>	<b>11,364,799</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>32,859,928</b>	<b>10,245,860</b>

Note

9

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 March, 2017

	<b>Share capital</b>	<b>Share premium</b>	<b>General reserve</b>	<b>Unappropriated profit/ (Loss)</b>	<b>Total</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Balance as at 01 July 2015</b>	43,815,800	-	-	1,406,486	45,222,286
Net profit / (loss) for the year ended 30 June 2015	-	-	-	1,689,368	1,689,368
<b>Balance as at 30 June 2016</b>	<b>43,815,800</b>	<b>-</b>	<b>-</b>	<b>3,095,854</b>	<b>46,911,654</b>
Balance as at 01st July 2016	43,815,800	-	-	3,095,854	46,911,654
Share issue during the year	4,000,000	-	-	-	4,000,000
Net profit / (loss) for the year ended 30 June, 2016	-	-	-	1,204,754	1,204,754
<b>Balance as at 31 March, 2017</b>	<b>47,815,800</b>	<b>-</b>	<b>-</b>	<b>4,300,608</b>	<b>52,116,408</b>

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 March, 2017*

### **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 carried at amortised cost using 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>	<b>Mar, 2017</b>	<b>Jun, 2016</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>4 Fixed assets</b>			
Property and equipment	4.1	11,042,766	13,350,877
Intangible	4.2	4,000,000	4,000,000
		<b>15,042,766</b>	<b>17,350,877</b>

4 Property and Equipmnt

PASHA SECURITIES (PRIVATE) LIMITED

4.1 Tangible

PARTICULARS	COST				DEPRECIATION			Book value as at March 2017	Depreciation rate %
	As at 1 July 2015	Additions during the year	Deletions during the year	As at March 2017	As at 1 July 2015	For the year	As at March 2017		
<b>OWNED</b>									
Building	22,247,146			<b>22,247,146</b>	11,076,171	837,823	<b>11,913,994</b>	<b>10,333,152</b>	10
Office equipments	554,495	-	-	<b>554,495</b>	425,696	14,490	<b>440,186</b>	<b>114,309</b>	15
Computer equipments	536,636	4,000	-	<b>540,636</b>	420,661	26,094	<b>446,755</b>	<b>93,881</b>	30
Furniture and Fixture	610,364			<b>610,364</b>	424,510	20,909	<b>445,419</b>	<b>164,945</b>	15
Vehicles	3,603,320			<b>3,603,320</b>	3,207,462	59,379	<b>3,266,841</b>	<b>336,479</b>	20
<i>Rupees</i>	<b>June, 2016</b>			<b>27,551,961</b>	<b>15,554,500</b>	<b>958,695</b>	<b>16,513,195</b>	<b>11,042,766</b>	
<i>Rupees</i>	June, 2015			27,459,961	14,109,084	-	14,109,084	13,350,877	

4.2 Intangible Asset

	Mar, 2017	Jun, 2016
	Rupees	Rupees
Membership card value	4,000,000	4,000,000
	<b>4,000,000</b>	<b>4,000,000</b>



**PASHA SECURITIES (PRIVATE) LIMITED**

	<i>Note</i>	<b>Mar, 2017</b>	<b>Jun, 2016</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>6 Long term investments</b>			
Lahore Stock Exchange Financial Services Limited			
Shares - Unquoted		3,034,603	3,034,603
Price		<u>10</u>	<u>10</u>
		<u><b>30,346,030</b></u>	<u><b>30,346,030</b></u>
<b>6.1</b>	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.		
<b>6.3</b>	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.		
<b>6.4</b>	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.		
<b>7 Long term deposits</b>			
CDC deposits ISETRMCL		100,000	100,000
NCCPL membership		100,000	100,000
ISETRMCL clearing house deposit		-	-
Future Trading		-	-
		<u><b>200,000</b></u>	<u><b>200,000</b></u>
<b>8 Accounts receivables</b>			
Accounts receivables		4,148,566	4,125,609
	<i>8.1</i>	<u><b>4,148,566</b></u>	<u><b>4,125,609</b></u>
<b>8.1</b>	Receivables from clients relate to operating revenues and are secured but considered good by the Management.		
<b>9 Short Term Investments</b>			
Cost of investment in listed securities		1,354,371	1,032,520
Un-realised gain/(loss) on securities		-	-
	<i>5</i>	<u><b>1,354,371</b></u>	<u><b>1,032,520</b></u>

**PASHA SECURITIES (PRIVATE) LIMITED**

	<i>Note</i>	<b>Mar, 2017</b>	<b>Jun, 2016</b>
		<b>Rupees</b>	<b>Rupees</b>
This amount represents the investment in different listed securities valued at the closing market rates as at June 30, 2016			
<b>10 Advances, deposits and prepayments</b>			
Advance Income Tax		318,206	170,754
Advances		248,900	248,900
Income tax Refundable		501,516	630,257
		<u><b>1,068,622</b></u>	<u><b>1,049,911</b></u>
<b>11 Cash and bank balances</b>			
Cash in hand		2,463	4,178
Cash in Bank			
In saving/ Profit Accounts		-	-
In Current Accounts		32,857,467	10,241,684
		<u><b>32,857,467</b></u>	<u><b>10,241,684</b></u>
		<u><b>32,859,930</b></u>	<u><b>10,245,862</b></u>
<b>12 Share capital</b>			
<b>Authorized</b>			
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each		49,000,000	49,000,000
		<u><b>49,000,000</b></u>	<u><b>49,000,000</b></u>
<b>13 Issued, subscribed and paid up</b>			
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid		47,815,800	47,815,800
		<u><b>47,815,800</b></u>	<u><b>47,815,800</b></u>
<b>14 Deferred Tax Liability</b>			
		-	1,442,540
		<u><b>-</b></u>	<u><b>1,442,540</b></u>
<b>15 Trade creditors</b>			
Trade creditors		31,521,010	10,339,254
		<u><b>31,521,010</b></u>	<u><b>10,339,254</b></u>
<b>16 Other payable</b>			
Other payable		(167,133)	199,400
		<u><b>(167,133)</b></u>	<u><b>199,400</b></u>

**PASHA SECURITIES (PRIVATE) LIMITED**

	<i>Note</i>	<b>Mar, 2017</b>	<b>Jun, 2016</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>17 Provision for taxation - Net</b>			
Opening Balance		-	
Deffered Tax		-	(1,442,540)
Current year taxation		-	47,085
		<u>-</u>	<u>(1,395,455)</u>
Less			
Adjusted against Advance Tax		-	-
		<u>-</u>	<u>(1,395,455)</u>
<b>18 Contingencies and Commitments</b>			
<b>18.1</b> 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.			
<b>19 Income from brokerage</b>			
Commission Income - Net		6,583,614	4,708,498
		<u>6,583,614</u>	<u>4,708,498</u>
<b>20 Operating and administrative expenses</b>			
Staff Salaries		1,363,432	1,000,000
Director's remuneration		1,065,500	1,692,584
Electricity and gas charges		166,383	168,690
Communication Expense		42,800	121,547
Postage and Courier Charges		18,997	17,074
Entertainment		1,047,973	22,221
Printing and Stationary		57,646	45,512
I.S.E Service and Maintenance Charges		270,847	198,741
CDC Charges		250,539	270,773
NCCPL Charges		169,301	183,731
Insurance Charges			54,011
Charity and Donation		1,500	3,500
Travelling and Lodging		338,200	227,990
Newspaper and Magazine		3,416	5,425
Auditor remuneration	<i>20.1</i>		155,000
Legal & professional charges		95,865	43,795
Vehicle running and maintenance		24,570	92,791
Repair and Maintenance			31,420
Depreciation	<i>4.1</i>	958,695	1,445,415
Advertisement		900	900
Water Bills			12,875
ISE Utilities			150,761
Misc Expenses		86,870	11,796
		<u>5,963,433</u>	<u>5,956,552</u>
<b>20.1 Auditor remuneration</b>			
Audit Fee			150,000
Out of Pocket Expenses			5,000
		<u>-</u>	<u>155,000</u>

**PASHA SECURITIES (PRIVATE) LIMITED**

	<i>Note</i>	<b>Mar, 2017 Rupees</b>	<b>Jun, 2016 Rupees</b>
<b>21 Financial charges</b>			
Bank charges		6,111	5,222
		<u><b>6,111</b></u>	<u><b>5,222</b></u>
<b>22 Other Income / (loss)</b>			
CDC Conversion Charges		590,684	707,993
Profit on Deposit			459,871
Dividend Income			379,325
		<u><b>590,684</b></u>	<u><b>1,547,189</b></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**

	<b>Mar, 2017</b>	<b>Jun, 2016 Re-stated</b>
<b><u>Managerial Remuneration including House Rent &amp; Utility</u></b>		
Chief Executive	-	-
Executives	-	-
Directors		1,692,584
	<u><b>-</b></u>	<u><b>1,692,584</b></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

**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>	<b>Mar, 2017</b>	<b>Jun, 2016</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>26</b>	<b>Number of employees</b>		

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.**

Lahore: \_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**