

**PASHA SECURITIES
(PRIVATE) LIMITED**

**Financial Statements (Un-audited)
As at 31 Dec, 2016**

PASHA SECURITIES (PRIVATE) LIMITED

Balance Sheet

As at 31 Dec, 2016

	Note	Dec-16 Rupees	Jun-16 Rupees
Non-Current Assets			
Fixed assets			
Property and equipment	4.1	10,719,201	11,997,462
Intangible asset	4.2	4,000,000	4,000,000
		14,719,201	15,997,462
Long term investments	6	30,346,030	30,346,030
Long term deposits	7	200,000	200,000
		30,546,030	30,546,030
Current Assets			
Accounts receivables	8	2,598,414	4,125,609
Short Term Investments	9	3,298,468	1,032,520
Advances, deposits and prepayments	10	751,732	1,049,911
Cash and bank balances	11	26,773,635	10,245,862
		33,422,249	16,453,902
		78,687,480	62,997,394
Equity and Liabilities			
Authorized	12	49,000,000	4,900,000
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each			
Issued, subscribed and paid up	13	47,815,800	47,815,800
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid			
Unappropriated profit / (loss)		4,437,099	3,095,855
		52,252,899	50,911,655
Share deposit money		-	1,500,000
Non-Current Liabilities			
Deferred Tax Liability	14	-	-
Current Liabilities			
Trade creditors	15	26,307,121	10,339,254
Other payable	16	127,460	199,400
Provision for taxation	17	-	47,085
		26,434,581	10,585,739
Contingencies and commitments	18	78,687,480	62,997,394

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

As at 31 Dec, 2016

	<i>Note</i>	Dec-16 Rupees	Jun-16 Rupees
Revenue			
Income from brokerage	19	4,621,803	4,708,498
Un-realised gain/(loss) on securities	10	-	-
		4,621,803	4,708,498
Operating and administrative expenses	20	(4,237,513)	(5,956,551)
Profit / (loss) from operation		384,290	(1,248,053)
Financial charges	21	(3,569)	(5,222)
Other income/(loss)	22	878,951	1,547,189
Profit / (oss) before taxation		1,259,672	293,914
Taxation	17	81,572	1,395,455
Profit / (loss) after taxation		1,341,244	1,689,369

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

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Cash Flow Statement

As at 31 Dec, 2016

	<i>Note</i>	Dec-16 Rupees	Jun-16 Rupees
Cash flows from operating activities			
Profit before taxation		1,259,672	293,914
Adjustments for non cash items:			
Depreciation and Impairment		1,278,260	1,445,415
Financial charges		3,569	5,222
		1,281,829	1,450,637
Operating profit before working capital changes		2,541,501	1,744,551
Changes in operating assets and liabilities			
(Increase)/decrease in:			
Accounts Receivable		1,527,195	3,616,700
Short Term Investments		(2,265,948)	(1,032,520)
Advances, deposits and prepayments		298,179	(107,133)
Trade Payable		15,967,867	(3,793,932)
Other Payable		(71,940)	(210,761)
		15,455,353	(1,527,646)
		15,455,353	(1,527,646)
Cash utilized in operations		17,996,854	216,905
Financial charges paid		(3,569)	(5,222)
Taxes paid		(3,965,510)	(63,621)
		(3,969,079)	(68,843)
Net cash used in operating activities		14,027,775	148,062
Cash flows from investing activities			
Purchase of Assets		-	(92,000)
Long term deposits		-	325,000
Net cash used in investing activities		-	233,000
Cash flows from financing activities			
Issue of share capital		4,000,000	4,000,000
Share deposit money		(1,500,000)	(5,500,000)
Net cash generated from financing activities		2,500,000	(1,500,000)
Net (decrease)/increase in cash and cash equivalents		16,527,775	(1,118,938)
Cash and cash equivalents at the beginning of the year		10,245,860	11,364,799
Cash and cash equivalents at the end of the year	9	26,773,635	10,245,860

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

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Statement of Changes in Equity

As at 31 Dec, 2016

	Share capital	Share premium	General reserve	Unappropriated profit/ (Loss)	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 Jun 2016	47,815,800	-	-	1,406,486	49,222,286
Net profit / (loss) for the year ended 30 June 2015	-	-	-	1,689,369	1,689,369
Balance as at 30 June 2016	47,815,800	-	-	3,095,855	50,911,655
Balance as at 1st July 2016	47,815,800	-	-	3,095,855	50,911,655
Share issue during the year	-	-	-	-	-
Net profit / (loss) for the year ended 30 June, 2016	-	-	-	1,341,244	1,341,244
Balance as at 31th Dec, 2016	47,815,800	-	-	4,437,099	52,252,899

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

Chief Executive

Director

PASHA SECURITIES (PRIVATE) LIMITED

Notes to the Financial Statements

As at 31 Dec, 2016

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>	42705	42522
		Rupees	Rupees
4 Fixed assets			
Property and equipment	4.1	10,719,201	13,350,877
Intangible	4.2	4,000,000	4,000,000
		<u>14,719,201</u>	<u>17,350,877</u>

4 Property and Equipmnt

PASHA SECURITIES (PRIVATE) LIMITED

4.1 Tangible

PARTICULARS	COST				DEPRECIATION				Book value as at Dec 2016	Depreciation rate %
	As at 1st Jul 2016	Additions during the year	Deletions during the year	As at Dec 2016	As at 1st Jul 2016	For the year	Deletions	As at Dec 2016		
OWNED										
Building	22,247,146			22,247,146	11,076,171	1,117,098		12,193,269	10,053,878	10
Office equipments	554,495	-	-	554,495	425,696	19,320	-	445,016	109,479	15
Computer equipments	536,636	-	-	536,636	420,661	34,793	-	455,454	81,183	30
Furniture and Fixture	610,364			610,364	424,510	27,878		452,388	157,976	15
Vehicles	3,603,320			3,603,320	3,207,462	79,172		3,286,634	316,686	20
<i>Rupees</i>	Dec, 2016			27,551,961	15,554,500	1,278,260	-	16,832,760	10,719,201	
<i>Rupees</i>	June, 2016			27,459,961	14,109,084	-	-	14,109,084	13,350,877	

4.2 Intangible Asset

	2016	2015
	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-16 Rupees	Jun-16 Rupees
6 Long term investments			
ISE Towers REIT Management Company			
Price		3,034,603 10	3,034,603 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		-	-
Future Trading		-	-
		<u>200,000</u>	<u>200,000</u>
8 Accounts receivables			
Accounts receivables		2,598,414	4,125,609
	<i>8.1</i>	<u>2,598,414</u>	<u>4,125,609</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		3,298,468	1,032,520
Un-realised gain/(loss) on securities		-	-
		<u>3,298,468</u>	<u>1,032,520</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec-16 Rupees	Jun-16 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		121,475	170,754
Advances		-	248,900
Income tax Refundable		630,257	630,257
		<u>751,732</u>	<u>1,049,911</u>
11 Cash and bank balances			
Cash in hand		9,892	4,178
Cash in Bank			
In saving/ Profit Accounts		-	-
In Current Accounts		26,763,743	10,241,684
		<u>26,763,743</u>	<u>10,241,684</u>
		<u>26,773,635</u>	<u>10,245,862</u>
12 Share capital			
Authorized			
4,900,000 (2015:4,500,000) Ordinary Shares of Rupees 10/- each		49,000,000	49,000,000
		<u>49,000,000</u>	<u>49,000,000</u>
13 Issued, subscribed and paid up			
4,781,580 (2015: 4,381,580) Ordinary Shares of Rupees 10/- each fully paid		47,815,800	47,815,800
		<u>47,815,800</u>	<u>47,815,800</u>
14 Deferred Tax Liability			
		1,442,540	1,442,540
		<u>1,442,540</u>	<u>1,442,540</u>
15 Trade creditors			
Trade creditors		26,307,121	10,339,254
		<u>26,307,121</u>	<u>10,339,254</u>
16 Other payable			
Other payable		127,460	199,400
		<u>127,460</u>	<u>199,400</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec-16 Rupees	Jun-16 Rupees
17 Provision for taxation - Net			
Opening Balance		-	
Deffered Tax		(1,395,455)	(1,442,540)
Current year taxation		46,218	47,085
		<u>(1,349,237)</u>	<u>(1,395,455)</u>
Less			
Adjusted against Advance Tax		-	-
		<u>(1,349,237)</u>	<u>(1,395,455)</u>
18 Contingencies and Commitments			
18.1	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 3,034,603 ordinary shares of ISETRMCL 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		4,621,803	4,708,498
		<u>4,621,803</u>	<u>4,708,498</u>
20 Operating and administrative expenses			
Staff Salaries		488,000	1,000,000
Director's remuneration		707,500	1,692,584
Electricity and gas charges		90,162	168,690
Communication Expense		34,630	121,547
Postage and Courier Charges		16,284	17,074
Entertainment		593,601	22,221
Printing and Stationary		45,907	45,512
I.S.E Service and Maintenance Charges		97,112	198,741
CDC Charges		162,038	270,773
NCCPL Charges		113,039	183,731
Insurance Charges		-	54,011
Charity and Donation		1,500	3,500
Travelling and Lodging		142,600	227,990
Newspaper and Magazine		2,318	5,425
Auditor remuneration	<i>20.1</i>	-	155,000
Legal & professional charges		58,975	43,795
Vehicle running and maintenance		4,500	92,791
Repair and Maintenance		17,570	31,420
Depreciation	<i>4.1</i>	1,278,260	1,445,415
Advertisement		900	900
Water Bills			12,875
ISE Utilities		35,211	150,761
Misc Expenses		91,582	11,796
		<u>3,981,689</u>	<u>5,956,552</u>
20.1 Auditor remuneration			
Audit Fee		-	150,000
Out of Pocket Expenses		-	5,000
		<u>-</u>	<u>155,000</u>

PASHA SECURITIES (PRIVATE) LIMITED

	<i>Note</i>	Dec-16	Jun-16
		Rupees	Rupees
21 Financial charges			
Bank charges		3,569	5,222
		<u>3,569</u>	<u>5,222</u>
22 Other Income / (loss)			
CDC Conversion Charges		878,951	707,993
Profit on Deposit		-	459,871
Dividend Income		-	379,325
		<u>878,951</u>	<u>1,547,189</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

	2016	2015
<u>Managerial Remuneration including House Rent & Utility</u>		Re-stated
Chief Executive	-	-
Executives	-	-
Directors	255,824	1,692,584
	<u>255,824</u>	<u>1,692,584</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>	Dec-16	Jun-16
		Rupees	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