

**PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2014**

**ASSETS**

**NON-CURRENT ASSETS**

Property and equipment  
Intangible asset  
Long term advances  
Long term investment

**CURRENT ASSETS**

Investment in securities  
Trade receivables  
Advances & short term prepayments  
Cash and bank balances

**SHARE CAPITAL AND RESERVES**

**Authorized Share Capital**

1,509,232 (2014: 1,509,232) Ordinary Shares of Rupees 10/- each fully paid

**Issued, subscribed and paid up share capital**

1,509,232 (2014: 1,509,232) Ordinary Shares of Rupees 10/- each fully paid  
Advance against issuance of shares  
Accumulated profit

**NON CURRENT LIABILITIES**

Deferred tax liability  
Loan from director

**CURRENT LIABILITIES**

Trade & other payables  
Provision for taxation

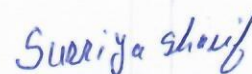
**CONTINGENCIES & COMMITMENTS**

Note	Dec-14 Un-audited	Jun-14 Audited
	--- Rupees ---	
4	135,279	157,980
5	4,000,000	4,000,000
6	200,000	200,000
7	30,346,030	30,346,030
	34,681,309	34,704,010
8	-	9,579,654
9	26,628,221	19,106,246
10	205,047	190,047
11	4,527,244	3,298,153
	31,360,512	32,174,100
	66,041,821	66,878,110
	15,100,000	15,100,000
12	15,092,320	15,092,320
	10,000,000	10,000,000
	14,878,531	15,639,230
	39,970,851	40,731,550
13	80,038	80,038
14	3,955,600	4,755,000
15	22,027,032	21,289,659
16	8,300	21,863
	22,035,332	21,311,522
17	-	-
	66,041,821	66,878,110

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD FROM JULY 01, 2014 TO DECEMBER 31, 2014**

	Note	Dec-14 Un-audited	Jun-14 Audited
		--- Rupees ---	
Brokerage Income	18	830,014	2,186,269
Operating expenses	19	(1,580,518)	(2,414,522)
<b>Profit / (Loss) from operations</b>		<b>(750,504)</b>	<b>(228,253)</b>
Finance cost	20	(1,895)	(1,895)
Other income / (Loss)	21	-	(6,322)
<b>Profit / (Loss) before taxation</b>		<b>(752,399)</b>	<b>(236,470)</b>
Taxation	16	(8,300)	9,681,084
<b>Profit / (Loss) after taxation</b>		<b>(760,699)</b>	<b>9,444,614</b>
<b>Total other comprehensive Profit / (Loss)</b>		<b>(760,699)</b>	<b>9,444,614</b>
<b>Basic Earning / (Loss) per share</b>	22	<b>(0.50)</b>	<b>6.26</b>

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**CHIEF EXECUTIVE**



  
**DIRECTOR**

# PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED

## CASH FLOW STATEMENT

AS AT DECEMBER 31, 2014

Note	Dec-14 Un-audited	Jun-14 Audited
	--- Rupees ---	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit / (Loss) before taxation	(752,399)	(236,470)
Adjustment for:		
Depreciation	22,701	27,907
Gain on exchange of assets	-	-
Gain / (Loss) on investment	-	(666,312)
Finance Cost	1,895	1,895
<b>Cash used in operating activities before working capital changes</b>	<b>(727,803)</b>	<b>(872,980)</b>
<b>(Increase)/decrease in current assets</b>		
Trade receivables	(7,521,975)	8,097,104
Investment in securities	9,579,654	(8,913,342)
Advances & short term prepayments	(15,001)	39,999
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payable	737,373	(10,197,521)
<b>Cash utilized in operations</b>	<b>2,052,248</b>	<b>(11,846,740)</b>
Financial charges paid	(1,895)	(1,895)
Other income / (Loss)	-	-
Income tax paid	(21,863)	(30,958)
<b>Net cash utilized in operating activities</b>	<b>(23,758)</b>	<b>(32,853)</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Fixed capital expenditure	-	-
Membership and deposits	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>-</b>	<b>-</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Long term loan	(799,400)	4,755,000
Issuance of ordinary shares	-	-
Advance against issuance of shares	-	10,000,000
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(799,400)</b>	<b>14,755,000</b>
<b>Net Increase /(decrease) in cash and cash equivalents</b>	<b>1,229,090</b>	<b>2,875,408</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,298,154</b>	<b>422,746</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,527,244</b>	<b>3,298,154</b>

11

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

  
CHIEF EXECUTIVE



  
DIRECTOR



#### 4 PROPERTY AND EQUIPMENT

	Computers	Furniture & Fixtures	Office Equipment	Office renovation	Total
<b>At July 01, 2013</b>					
Cost	258,556	354,500	158,770	675,000	1,446,826
Accumulated depreciation	249,979	272,017	114,626	624,318	1,260,940
<b>Net Book Value</b>	<b>8,577</b>	<b>82,483</b>	<b>44,144</b>	<b>50,682</b>	<b>185,886</b>
<b>Year Ended June 30, 2014</b>					
Opening net book value	8,577	82,483	44,144	50,682	185,886
Additions/(Deletion)	-	-	-	-	-
Depreciation charge	2,573	8,248	4,414	12,671	27,907
<b>Closing net book value</b>	<b>6,004</b>	<b>74,235</b>	<b>39,730</b>	<b>38,011</b>	<b>157,980</b>
<b>At 30 June 2014</b>					
Cost	258,556	354,500	158,770	675,000	1,446,826
Accumulated depreciation	252,552	280,265	119,040	636,989	1,288,846
<b>Net Book Value</b>	<b>6,004</b>	<b>74,235</b>	<b>39,730</b>	<b>38,011</b>	<b>157,980</b>
<b>Period Ended December 31, 2014</b>					
Opening net book value	6,004	74,235	39,730	38,011	157,980
Additions	-	-	-	-	-
Depreciation charge	1,801	7,423	3,973	9,503	22,701
<b>Closing net book value</b>	<b>4,203</b>	<b>66,811</b>	<b>35,757</b>	<b>28,508</b>	<b>135,279</b>
<b>At 31 December 2014</b>					
Cost	258,556	354,500	158,770	675,000	1,446,826
Accumulated depreciation	254,353	287,689	123,013	646,492	1,311,547
<b>Net Book Value</b>	<b>4,203</b>	<b>66,811</b>	<b>35,757</b>	<b>28,508</b>	<b>135,279</b>
<b>Annual rate of depreciation</b>	<b>30%</b>	<b>10%</b>	<b>10%</b>	<b>25%</b>	



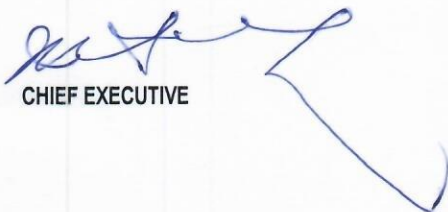
# PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2014

	Share Capital	Capital reserves	Accumulated Profit / (Loss)	Total
	Rupees		Rupees	Rupees
Balance as on 01 July 2013	15,092,320	-	6,194,616	21,286,936
Total comprehensive Profit / (Loss) for the year	-	-	-	-
- Loss for the Year	-	-	9,444,614	9,444,614
- Other Comprehensive Income	-	10,000,000	-	10,000,000
	-	10,000,000	9,444,614	19,444,614
Balance as on 30 June 2014	15,092,320	10,000,000	15,639,230	40,731,550
Total comprehensive Profit / (Loss) for the year	-	-	-	-
- Profit / (Loss) for the Year	-	-	(760,699)	(760,699)
- Advance against issuance of shares	-	10,000,000	-	10,000,000
	-	10,000,000	(760,699)	9,239,301
Balance as on 31 December 2014	15,092,320	10,000,000	14,878,531	39,970,851

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

  
CHIEF EXECUTIVE



  
DIRECTOR

	Note	Dec-14 Un-audited	Jun-14 Audited
		--- Rupees ---	
<b>5 INTANGIBLE ASSET</b>			
This represents the cost of (ISE) TREC certificate.		<u>4,000,000</u>	<u>4,000,000</u>
<b>6 LONG TERM ADVANCES</b>			
CDC deposits ISE		100,000	100,000
NCSS deposits ISE		<u>100,000</u>	<u>100,000</u>
		<u>200,000</u>	<u>200,000</u>
<b>7 LONG TERM INVESTMENT</b>			
Shares in Islamabad Stock Exchange Limited (available for sale)	7.1	<u>30,346,030</u>	<u>30,346,030</u>
<p><b>7.1</b> These represent the shares received from 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. 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.. 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.</p>			
<b>8 INVESTMENT IN SECURITIES</b>			
At fair value through profit or loss account held for trading			
Quoted at Karachi Stock Exchange (G) Limited			
Market Value as at June 30, 2014		<u>9,579,654</u>	<u>9,579,654</u>
<b>9 TRADE RECEIVABLES - UNSECURED</b>			
Considered Good		26,628,221	19,106,246
Considered doubtful		-	-
		<u>26,628,221</u>	<u>19,106,246</u>
Less : Provision for doubtful debts		-	-
		<u>26,628,221</u>	<u>19,106,246</u>
<b>10 ADVANCES &amp; SHORT TERM PREPAYMENTS</b>			
Advance Income Tax		30,959	30,959
ISE exposure		15,000	-
Exposure with pearl securities (Pvt) Ltd		24,972	24,972
Income tax refundable		<u>134,116</u>	<u>134,116</u>
		<u>205,047</u>	<u>190,047</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		293,951	52,116
Cash at banks		<u>4,233,293</u>	<u>3,246,038</u>
		<u>4,527,244</u>	<u>3,298,154</u>





		Note	Dec-14 Un-audited --- Rupees ---	Jun-14 Audited
<b>12</b>	<b><u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u></b>			
	December 31, 2014	June 30, 2013		
	No. of shares			
	1,009,232	1,009,232	Ordinary shares of Rs.10/- each fully paid in cash	10,092,320
	500,000	500,000		5,000,000
	<u>1,509,232</u>	<u>1,509,232</u>	<u>15,092,320</u>	<u>15,092,320</u>
<b>13</b>	<b><u>DEFERRED TAX LIABILITY</u></b>			
	Credit balance arising on difference between accounting and tax depreciation and unused tax loss.		<u>80,038</u>	<u>80,038</u>
<b>14</b>	<b><u>LOAN FROM DIRECTOR</u></b>			
	This amount is taken from director and term and condition of repayment are not defined		<u>3,955,600</u>	<u>4,755,000</u>
<b>15</b>	<b><u>TRADE &amp; OTHER PAYABLES</u></b>			
	Creditors		21,871,975	21,172,753
	Other payables		155,057	84,906
	Payables to Askari Securities (Pvt) Ltd		-	32,000
			<u>22,027,032</u>	<u>21,289,659</u>
<b>16</b>	<b><u>PROVISION FOR TAXATION</u></b>			
	Deferred tax		-	(9,702,947)
	Current for the year		8,300	21,863
			<u>8,300</u>	<u>(9,681,084)</u>
<b>17</b>	<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
	There is no contingencies and commitments at the balance sheet date.			
<b>18</b>	<b><u>REVENUE</u></b>			
	Brokerage Income		830,014	2,186,269
			<u>830,014</u>	<u>2,186,269</u>
<b>19</b>	<b><u>OPERATING EXPENSES</u></b>			
	Staff salaries		429,000	789,000
	Purchases		370,035	406,979
	Electricity and gas charges		28,988	86,890
	Communication expense		78,317	114,550
	Postage and courier charges		11,405	11,405
	Entertainment		61,202	61,202
	Printing and stationery		34,084	34,084
	Rent, rate and taxes		270,000	480,000
	I.S.E Service and Maintenance Charges		8,000	24,000
	CDC charges		61,387	61,387
	NCCPL charges		24,980	45,948
	Newspaper and magazine		5,744	5,744
	Traveling & conveyance		4,000	4,000
	Audit fee		-	80,000
	Repair and maintenance		13,200	13,200
	Depreciation	4	22,701	27,907
	Water bills		1,680	1,680
	Fee and subscription		61,025	61,025
	ISE Utilities		90,268	101,018
	Misc. expenses		4,502	4,502
			<u>1,580,518</u>	<u>2,414,521</u>



**20 FINANCE COST**

Bank and other charges	<u>1,895</u>	<u>1,895</u>
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**21 OTHER INCOME**

CDC Conversion charges	-	106,984
Gain on exchange of assets	-	-
Realized Gain / (Loss) on investment	<u>(981,860)</u>	<u>(779,618)</u>
Unrealized Gain / (Loss) on investment	<u>666,312</u>	<u>666,312</u>
	<u>(315,548)</u>	<u>(6,322)</u>

**22 BASIC EARNING / (LOSS) PER SHARE**

There is no dilutive effect on the basic loss per share of the company, which is based on :

Profit / (Loss) after taxation	<u>(760,699)</u>	<u>9,444,614</u>
Weighted average number of Ordinary shares	<u>1,509,232</u>	<u>1,509,232</u>
Earning / (Loss) per share ( Rupees )	<u>(0.50)</u>	<u>6.26</u>

**23 Related party transactions****24 FINANCIAL RISK MANAGEMENT****24.1 Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**24.2 Financial assets and liabilities by category and their respective maturities****Financial Asset****Dec. 31, 2014**

Long term security deposits	<u>4,000,000</u>	<u>4,000,000</u>
Trade debts - unsecured & considered good	<u>26,628,221</u>	<u>19,106,246</u>
Long term investment	<u>30,346,030</u>	<u>30,346,030</u>
Bank balance	<u>4,233,293</u>	<u>3,246,038</u>
<b>Total</b>	<u><b>65,207,544</b></u>	<u><b>56,698,314</b></u>

Except long term security deposits and long term investment none of the above financial assets had maturity above than 1 year.

**Financial Liability****Dec. 31, 2014**

Trade & other payables	<u>22,027,032</u>	<u>21,289,659</u>
<b>Total</b>	<u><b>22,027,032</b></u>	<u><b>21,289,659</b></u>

**24.3 Fair Values**

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value except for loan from director which is stated at cost.





#### 24.4 Financial Risk Factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

#### 24.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Credit risk of the Company arises form deposits with banks and financial institutions, trade debts and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. the management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

The carrying amount of financial assets represent the maximum credit exposure, as specified below;

##### **Financial Asset**

Long term security deposits  
Trade debts - unsecured & considered good  
Long term investment  
Bank balances  
**Total**

##### **Dec. 31, 2014**

<b>4,000,000</b>	4,000,000
<b>26,628,221</b>	19,106,246
<b>30,346,030</b>	30,346,030
<b>4,233,293</b>	3,246,038
<b>65,207,544</b>	56,698,314

#### 24.6 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of the financial liabilities;

##### **Financial Liability**

Trade & other payables ( Maturity within 1 Year )  
**Total**

##### **June 30, 2014**

<b>22,027,032</b>	21,289,659
<b>22,027,032</b>	21,289,659

#### 24.7 MARKET RISK

Market risk means that fair value of future cash flows of a financial instrument with fluctuate because of changes in market prices such as, foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest rate risk and price risk. The market risk associated with the company's business activities are discussed as under:



Interest Rate Risk

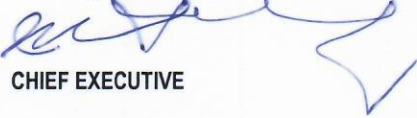
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The Company is not exposed to interest rate risk as it has no interest bearing borrowings.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is not exposed to equity price risk since it has no investments in quoted equity securities.

**25 GENERAL**

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

23.2.2015



  
DIRECTOR