

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD
BALANCE SHEET
AS AT DECEMBER 31, 2016

	Note	31-Dec-16 Un-Audited Rupees	30-Jun-16 Audited Rupees
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipments	4	167,871	183,649
Intangible asset	5	4,000,000	4,000,000
Long term deposits	6	200,000	200,000
Long term investment	7	30,346,030	30,346,030
		34,713,901	34,729,679
CURRENT ASSETS			
Account receivables	8	8,219,613	9,808,305
Short term investment	9	2,285,438	3,687,852
Advances, deposits & pre-payments	10	1,691,123	326,006
Cash and bank balances	11	3,051,126	1,904,677
		15,247,300	15,726,840
		49,961,201	50,456,519
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized Share Capital			
5,000,000 (2016:5,000,000) Ordinary Shares of Rupees 10/- each	12	38,100,000	38,100,000
Issued, subscribed and paid up share capital			
4,000,000 (2016: 3,584,802) Ordinary Shares of Rupees 10/- each fully paid	13	38,092,320	38,092,320
Advance against issuance of shares		-	-
Accumulated profit / (loss)		9,690,429	10,228,643
		47,782,749	48,320,963
NON CURRENT LIABILITIES			
Long term loan		-	-
CURRENT LIABILITIES			
Trade & payables	14	1,883,093	1,779,097
Accrued and other liabilities	15	59,917	126,177
Short term running finance	16	226,412	226,584
Provision for taxation	17	9,030	3,697
		2,178,452	2,135,556
CONTINGENCIES & COMMITMENTS			
	18	-	-
		49,961,201	50,456,519

The annexed notes form 1 to 29 an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED FROM JULY 01, 2016 TO DECEMBER 31, 2016

	Note	31-Dec-16 Un-Audited Rupees	30-Jun-16 Audited Rupees
Revenue			
Income from Brokerage			
Capital gain/(loss) on investment	19	533,334	369,739
Gross profit/ (loss)		<u>-</u>	<u>3,464,990</u>
		533,334	3,834,729
Operating and Administrative expenses			
Operating profit /(loss)	20	<u>(1,451,070)</u>	<u>(2,562,084)</u>
		(917,736)	1,272,645
Finance cost			
Other income / (loss)	21	(36,031)	(106,777)
Profit / (Loss) before taxation	22	<u>415,553</u>	<u>(2,281,747)</u>
		(538,214)	(1,115,879)
Taxation			
Profit / (Loss) after taxation	17	<u>-</u>	<u>1,461,470</u>
		(538,214)	345,591

The annexed notes form 1 to 29 an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED FROM JULY 01, 2016 TO DECEMBER 31, 2016

	Note	42735 Un-Audited Rupees	42551 Audited Rupees
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit / (Loss) before taxation			
Adjustment for:		(538,214)	(1,115,879)
Depreciation		15,778	40,011
Gain loss on investment		-	(3,464,990)
Finance Cost		36,031	106,777
Cash (used in) / generated from operating activities before working capital changes		(486,405)	(4,434,082)
(Increase)/decrease in current assets			
Trade receivables		1,588,692	(7,848,793)
Advances & short term prepayments		(1,240,162)	19,270
Short term investment		1,402,414	5,394,551
Increase/(decrease) in current liabilities		37,736	(2,072,223)
Trade and other payable		1,302,275	(4,545,735)
Cash (used in) / generated in operations		(36,031)	(106,777)
Financial charges paid		(119,623)	(91,427)
Income tax paid		1,146,621	(198,204)
Net cash (used in) / generated from operating activities			
Cash flow from investing activities			
Fixed capital expenditure		-	(83,520)
Issuance of shares		-	-
Cash flow from financing activities		-	(83,520)
Loan from directors		-	-
Short term running finance		(172)	(2,995,600)
			226,584
			13,000,000
		(172)	10,230,984
Net Increase /(decrease) in cash and cash equivalents		1,146,449	1,038,216
Cash and cash equivalents at the beginning of the year		1,904,677	866,461
Cash and cash equivalents at the end of the year	11	3,051,126	1,904,677

The annexed notes form 1 to 29 an integral part of these financial statements.

CHIEF EXECUTIVE



Suliyeh Sharif
DIRECTOR

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED FROM JULY 01, 2016 TO DECEMBER 31, 2016

	Share Capital	Capital Reserves	Accumulated Profit / (Loss)	Total
	(Rupees)			
Balance as on 30 June 2015	25,092,320	-	9,883,052	34,975,372
Profit (Loss) for the year	25,092,320	-	345,591	345,591
Share deposit money	13,000,000	-	-	13,000,000
	38,092,320	-	345,591	13,345,591
Balance as on 30 June 2016	25,092,320	-	10,228,643	48,320,963
Profit (Loss) for the year	38,092,320	-	(538,214)	(538,214)
Issuance of shares	-	-	-	-
	38,092,320	-	(538,214)	(538,214)
Balance as on 31 December 2016	38,092,320	-	9,690,429	47,782,749

The annexed notes form 1 to 29 an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD
Notes to the Financial Statements
AS AT DECEMBER 31, 2016

1 STATUS AND NATURE OF BUSINESS

BABA EQUITIES (PRIVATE) LIMITED was incorporated on 24th February, 2006 as a private limited Company under the Companies Ordinance, 1984. The Company is mainly engaged in the business of share brokerage, portfolio management, investment advisory and consultancy services. The Company was a corporate member of Pakistan Stock Exchange Limited, it is also actively taking part in the Initial Public Offerings (IPO's), the Company become a corporate TREC Holder of Pakistan Stock Exchange Limited. The registered Office of the Company is situated at Office Room No.1208 12th floor, ISE Tower, Blue Area, 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

These are 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 amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are de-recognized 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 deferred taxation, using the liability method on all temporary timing differences. However, deferred tax is not provided if it can be established with reasonable accuracy that these differences will not reverse 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.

		PROGRESSIVE INVESTMENT	
	Note	31-Dec-16 Un-Audited Rupees	30-Jun-16 Audited Rupees
5 INTANGIBLE ASSET			
PSX Trading Rights Entitlement Certificates		<u>4,000,000</u>	<u>4,000,000</u>
6 LONG TERM DEPOSITS			
CDC deposits		100,000	100,000
NCSS deposits		<u>100,000</u>	<u>100,000</u>
		<u>200,000</u>	<u>200,000</u>
7 LONG TERM INVESTMENT			
Shares in Islamabad Stock Exchange limited		3,034,603	3,034,603
Price		10	10
	7.1	<u>30,346,030</u>	<u>30,346,030</u>
<p>7.1 These represent the shares received from Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) in pursuance of corporatization and demutualization of ISETRMCL as public company limited by shares in accordance with the requirement of the Stock Exchanges (Coproration, Demutualization and Integration Act, 2012 (the Act.)). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from PSX.</p> <p>7.2 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 ISETRMCL. 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> <p>7.3 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.</p>			
8 ACCOUNT RECEIVABLES - UNSECURED			
Account receivable - Considered good		<u>8,219,613</u>	<u>9,808,305</u>
		<u>8,219,613</u>	<u>9,808,305</u>
9 SHORT TERM INVESTMENT			
Purchase of IPO's			
Short term investment in listed securities	5	<u>2,285,438</u>	<u>3,687,852</u>
		<u>2,285,438</u>	<u>3,687,852</u>

		PROGRESSIVE INVESTMENT	
	Note	31-Dec-16	30-Jun-16
		Un-Audited Rupees	Audited Rupees
10 ADVANCES, DEPOSITS & PREPAYMENTS			
Advance Income Tax		216,390	91,435
PSX Exposure		195,000	100,000
Security deposit		120,960	-
Other receivables		1,024,202	-
Income tax refundable		134,571	134,571
		<u>1,691,123</u>	<u>326,006</u>
11 CASH AND BANK BALANCES			
Cash in hand		279,838	48,467
Cash at banks			
In saving/ Profit Accounts		-	-
In Current Accounts		2,771,288	1,856,209
		<u>2,771,288</u>	<u>1,856,209</u>
		<u>3,051,126</u>	<u>1,904,677</u>
12 SHARE CAPITAL			
Authorized			
3,810,000 (2016:1,510,000) Ordinary Shares of Rupees 10/- each		38,100,000	38,100,000
		<u>38,100,000</u>	<u>38,100,000</u>
13 Issued, subscribed and paid up			
3,809,232 (2016: 1,509,232) Ordinary Shares of Rupees 10/- each fully paid in cash		38,092,320	38,092,320
		<u>38,092,320</u>	<u>38,092,320</u>
14 ACCOUNTS PAYABLE			
Creditors		1,883,093	1,779,097
		<u>1,883,093</u>	<u>1,779,097</u>
15 ACCRUED AND OTHER LIABILITIES			
Other payables		59,917	126,177
16 SHORT TERM RUNNING FINANCE			
		<u>226,412</u>	<u>226,584</u>

		PROGRESSIVE INVESTMENT	
	Note	31-Dec-16	30-Jun-16
		Un-Audited Rupees	Audited Rupees
17 PROVISION FOR TAXATION			
Opening Balance		(1,461,470)	1,407,785
Adjustment		-	(1,465,167)
Current year taxation		5,333	3,697
		(1,456,137)	(53,685)
Less:			
Adjusted against Advance Tax		1,461,470	(1,407,785)
		<u>5,333</u>	<u>(1,461,470)</u>
18 CONTINGENCIES AND COMMITMENTS			
The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (PSX) and 3,034,603 ordinary shares of Islamabad Stock Exchange Towers Reit Management company limited (ISETRMCL) with ISETRMCL 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		533,334	369,739
		<u>533,334</u>	<u>369,739</u>
20 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries		540,000	915,000
Purchases		-	-
Electricity and gas charges		33,812	69,362
Communication expense		33,724	177,966
Postage and courier charges		7,039	4,920
Entertainment		35,167	117,383
Printing and stationery		52,946	22,130
Rent, rate and taxes		451,855	558,116
I.S.E Service and Maintenance Charges		64,630	117,831
CDC charges		31,478	57,266
NCCPL charges		41,191	60,422
Newspaper and magazine		1,800	5,268
Legal and professional charges		27,425	2,845
Traveling & conveyance		-	25,000
PSX Charges		37,312	35,274
Audit fee		-	70,000
Repair and maintenance		20,885	56,850
Depreciation		15,778	40,011
Water bills		1,151	9,659
Fee and subscription		50,000	130,000
ISE Utilities		-	86,782
Misc. expenses		4,877	-
		<u>1,451,070</u>	<u>2,562,084</u>
21 FINANCE COST			
Bank and other charges		36,031	106,777
		<u>36,031</u>	<u>106,777</u>

PROGRESSIVE INVESTMENT

	Note	31-Dec-16 Un-Audited Rupees	30-Jun-16 Audited Rupees
22 OTHER INCOME			
Dividend income		400,094	657,213
Realized gain / loss on investment		-	(2,938,960)
Un-realized gain / loss on investment		-	-
Other income		15,459	-
		<u>415,553</u>	<u>(2,281,747)</u>

23 Taxation

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

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

24 Remuneration of Chief Executive, Directors and Executives

Managerial Remuneration including House Rent & Utility

Chief Executive	-	-
Executives	-	-
Directors	-	-
	<u>-</u>	<u>-</u>

Managerial remuneration has been paid to directors Rs. 200,000 of the company during the year. (2015: Rs.400,000).

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 charge and impairment.

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 judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

PROGRESSIVE INVESTMENT

Note	31-Dec-16	30-Jun-16
	Un-Audited	Audited
	Rupees	Rupees

25.4 Trade debts

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

26 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 1 (2015: 2). Average number of employees was 2 (2015: 2)

27 GENERAL

Figures have been rounded off to the nearest rupee.
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 form 1 to 29 an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR