

128 SECURITIES (PVT) LIMITED
BALANCE SHEET AS AT 31 March , 2017

	NOTE	3/31/2017 <u>RS.</u>	2016 <u>RS.</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital			
1,000,000 ordinary shares of Rs.100/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
638,740 ordinary shares of Rs.100/- each	4	63,874,000	63,874,000
Share Money Deposit		1,470,938	-
Reserves			
Accumulated loss		(16,349,828)	(22,536,788)
TOTAL EQUITY		<u>48,995,110</u>	<u>41,337,212</u>
 NON-CURRENT LIABILITIES			
-			
 CURRENT LIABILITIES			
Trade and other payables	5	43,367,431	25,845,426
		<u>43,367,431</u>	<u>25,845,426</u>
TOTAL LIABILITIES		<u>43,367,431</u>	<u>25,845,426</u>
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>92,362,541</u>	<u>67,182,638</u>
 ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	1,140,960	1,127,875
Room and TREC - intangible	8	7,000,000	7,000,000
Investments	9	26,148,804	15,871,144
Long term deposits	10	8,867,285	5,962,285
		<u>43,157,049</u>	<u>29,961,304</u>
 CURRENT ASSETS			
Trade debts	11	16,996,989	16,007,210
Advances and other receivables	12	4,092,968	4,818,878
Cash and bank balances	13	28,115,535	16,395,246
		<u>49,205,492</u>	<u>37,221,334</u>
TOTAL ASSETS		<u>92,362,541</u>	<u>67,182,638</u>

The annexed notes form an integral part of these accounts.

Chief Executive

Director

128 SECURITIES (PVT) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 March, 2017

	NOTE	3/31/2017	2016
		<u>RS.</u>	<u>RS.</u>
OPERATING INCOME			
Commission Income	14	14,857,409	11,563,431
Other Income -	15	1,564,932	1,040,850
		<u>16,422,341</u>	<u>12,604,281</u>
OPERATING EXPENSES			
Administrative and general	16	10,218,934	27,120,853
Financial and others	17	16,447	39,351
		<u>10,235,381</u>	<u>27,160,204</u>
PROFIT BEFORE TAX		6,186,960	(14,555,923)
TAXATION			
Normal tax	18	-	115,634
Tax On Dividend Income		-	-
Prior year tax adjustment		-	275,556
		<u>-</u>	<u>391,190</u>
PROFIT/(LOSS) AFTER TAX CARRIED TO EQUITY STATEMENT		6,186,960	(14,947,113)
EARNINGS PER SHARE - BASIC AND DILUTED	19	<u>9.69</u>	<u>(23.40)</u>

The annexed notes form an integral part of these accounts.

Chief Executive

Director

	3/31/2017	2016
	<u>Rs.</u>	<u>Rs.</u>
13. CASH AND BANK BALANCES		
CASH AT BANKS		
In saving accounts		
Al-Falah-DHA A/c. 0033-02918383	5,914,805	1,449,325
Al-Falah - LSE A/c. 004802910036	566,452	7,683,752
128-SEC A/C0048-01001830	32,581	32,581
128-SEC A/C00310081000626019-BLHB	13,560,795	6,512,978
In current accounts		
House A/c. 0048-02910040	35,574	223,952
HOUSE A/C #0147-0071-000996-50-8	21,284	-
HBL DHA- 18587901080903	25,000	-
ABL LTD-LSE BR-480011	4,632	4,632
BANK ALFALAH DHA (HOUSE AC) 0033-	7,000,200	-
Al-Falah -A/c. 0031-0081-000626-01-9	464,922	378,220
MCB - LSE A/c. 28-0	9,000	9,000
CASH IN HAND	480,290	100,806
	<u>28,115,535</u>	<u>16,395,246</u>
14. COMMISSION INCOME		
Commission income	15,744,964	12,285,091
NCSS,LSE charges	887,555	290,631
CDC charges	-	431,029
Others	-	-
	<u>887,555</u>	<u>721,660</u>
	<u>14,857,409</u>	<u>11,563,431</u>
14.1 COMMISSION INCOME		
Gross commission income	15,900,662	14,344,760
Less: Commission Adjustment	(52,192)	(306,577)
Less: Commission expenses	(103,506)	(1,753,092)
	<u>15,744,964</u>	<u>12,285,091</u>
15. OTHER INCOME - bank interest		
Interest on bank deposit/PLS A/c.	217,712	407,869
Other Income	892,421	-
Dividend Income	454,799	632,981
	<u>1,564,932</u>	<u>1,040,850</u>

	3/31/2017	2016
	<u>Rs.</u>	<u>Rs.</u>
16. ADMINISTRATIVE AND GENERAL		
Directors Remuneration	1,000,000	1,650,000
Salaries & Benefits	3,029,400	4,343,250
Rent, Rates & Taxes	405,848	565,652
Printing & Stationery	102,730	130,900
Telephone & Postage	691,997	840,305
Electricity & Gas Expenses	777,179	740,851
Entertainment	154,650	443,888
Computer Repair & Maintenance	574,090	520,070
Newspaper & Periodicals	-	2,714
Travelling & Conveyance	23,650	21,400
Publicity & Advertisement	36,000	2,000
Charity & Donation	-	3,000
Audit Fee	-	250,000
Fee & Taxes	39,362	213,865
Legal & Professional charges	428,000	469,100
Other Expense	2,760,913	1,562,730
Depreciation	195,115	248,847
other operating charges	-	15,112,281
	<u>10,218,934</u>	<u>27,120,853</u>

	3/31/2017	2016
	<u>Rs.</u>	<u>Rs.</u>
17. FINANCIAL AND OTHERS		
Bank charges	<u>16,447</u>	<u>39,351</u>
	<u>16,447</u>	<u>39,351</u>
18. TAXATION		
Profit Before Tax	<u>6,186,960</u>	<u>(14,555,923)</u>
Total Income		
Commission income - net	14,857,409	11,563,431
Other income	<u>1,564,932</u>	<u>1,040,850</u>
	<u>16,422,341</u>	<u>12,604,281</u>
Profit Allocation		
Final Tax Income	171,341	(730,992)
Normal Taxable Income	6,015,619	(13,824,931)
	6,186,960	(14,555,923)
Taxation		
Minimum tax @ 1% on turnover	164,223	126,043
Normal tax @ 32%	<u>1,924,998</u>	<u>(4,423,978)</u>

19. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit/(Loss) attributable to ordinary share holders in Rs.	<u>6,186,960</u>	<u>(14,947,113)</u>
Number of ordinary shares issue	<u>638,740</u>	<u>638,740</u>
Profit/ (Loss) per share-basis in rupees	<u>9.69</u>	<u>(23.40)</u>

20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

		3/31/2017 Rs.	2016 Rs.
4. SHARE CAPITAL			
Authorised Capital			
1,000,000 (2014:1,000,000) ordinary shares of Rs.100/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and Paid-up capital			
638,740 (2014:638,740) ordinary shares of Rs.100/- each		<u>63,874,000</u>	<u>63,874,000</u>
Pattern of shareholding is given as under:			
Chief Executive			
Shahid Mahmood		63,774,000	63,774,000
Directors			
Qasim Mahmood		50,000	50,000
Hashim Mahmood		50,000	50,000
		<u>63,874,000</u>	<u>63,874,000</u>
5. TRADE AND OTHER PAYABLES			
Due to Clients	5.1	42,445,253	25,183,264
Other Payables	5.2	922,178	662,162
		<u>43,367,431</u>	<u>25,845,426</u>
5.1 Due to clients the amounts due to customers and members on account of trades undertaken before year-end but becoming due after year-end.			
5.2 OTHER PAYABLES			
Audit fee payable		300,000	300,000
FED - purchase		100,124	75,069
FED - sale		99,563	93,433
Other payables		-	12,865
CDC- client account		5,450	5,705
CVT and Capital Gain Tax		255,969	6,270
CDC- Tax Payable		23,817	23,817
Supplier & Services Tax Payable		15,635	26,275
Employee Tax Payable		6,386	3,094
Provision for tax		115,634	115,634
		<u>922,578</u>	<u>662,162</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

Neither any contingent loss nor gain is expected by the company.

Commitments

Except routine and fully provided commitments neither any guarantee has been given nor any material commitment made by the company.

7. PROPERTY AND EQUIPMENT-TANGIBLE

PARTICULARS	COST			DEPRECIATION			W.D.V. AS AT 3/31/2017	
	AS AT 01.07.2016	ADDITION (DELETION)	AS AT 3/31/2017	AS AT 01.07.2016	RATE %	FOR THE YEAR		AS AT 3/31/2017
OWNED								
Office Equipment	1,654,126	7,500	1,661,626	1,227,621	15	48,825.56	1,276,447	385,179
Computer	2,348,916	200,700	2,549,616	2,151,337	30	89,612.78	2,240,950	308,666
Furniture & Fixtures	1,061,332	-	1,061,332	839,443	15	24,962.51	864,406	196,926
Vehicles	1,507,100	-	1,507,100	1,225,198	15	31,713.98	1,256,912	250,188
42825 2016	6,571,474	208,200	6,779,674	5,443,600		195,115	5,638,714	1,140,960

8. ROOM AND TREC-INTANGIBLE

8.1 Trading Rights Entitlement Certificate-(TREC)

8.2 Room - 612

	3/31/2017 <u>RS.</u>	2016 <u>RS.</u>
8.1 Trading Rights Entitlement Certificate-(TREC)	5,000,000	11,200,000
8.2 Room - 612	2,000,000	2,000,000
	<u>7,000,000</u>	<u>13,200,000</u>

8.1 Pursuant to the promulgation of the stock exchanges(Corporatisation, Demutualization and Integration) Act,2012, the ownership rights in a stock exchange were segregated from the right to trade on an exchange. As a result, the above arrangement has resulted in allocation of 843,975 shares at Rs10 each having break up value of Rs 11.32 each,with a total face value of Rs 8.4 Million and Trading Rights Entitlement Certificate (TREC) to the company by the LSE. out of total shares of 843,975 allocated to the company 506,385 shares are transferred to CDC sub- account in the company's name under the LSE's participant IDs with the CDC which will remain blocked untill these are divest/sold to strategic investor(s),general public and financial institutions and proceeds are paid to the company. under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the LSE has introduced a minimum capital requirement of Rs. 4 million and in the absence of an active market for TREC, this assigned value has been considered as the closest estimate of the fair value of the TREC. Therefore, based on the above estimates of the fair value of LSE shares,(Rs. 8.44 Million) and TREC (Rs. 4 Million), the company has allocated its carrying value of the membership card (Rs. 35 Million) in the ratio of 68 to shares and 32 to TREC. Consequently, the investments in LSE shares and TREC stands worked out as under:

Particulars	Fair value Rs.	Ratio %age	Value Assigned Rs.
LSE shares	8.44 M	68	23,800,000
LSE TREC	4.0 M	32	11,200,000
	<u>12.44 M</u>	<u>100</u>	<u>35,000,000</u>

8.2 This represent cost of offices given by Lahore Stock Exchange with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

	3/31/2017	2016
	<u>RS.</u>	<u>RS.</u>
9. INVESTMENTS		
INVESTMENT -IN LISTED COMPANY-SHARES	11,261,085	983,425
INVESTMENT -IN LAHORE STOCK EXCHANGE -SHARES	<u>14,887,719</u>	<u>14,887,719</u>
	<u>26,148,804</u>	<u>15,871,144</u>

This represents the apportioned value of the membership card as allocated for TREC @ 32% and LSE Shares@ 68%. Management does not provide for deficit/ surplus on remeasurment to fair value due to their temporary character.

10. LONG TERM DEPOSITS

Deposits with:

Pakistan Stock Exchange Ltd	8,100,000	5,195,000
Security CDC	100,000	100,000
National Clearing Company of Pakistan Ltd	300,000	300,000
Office Security	<u>367,285</u>	<u>367,285</u>
	<u>8,867,285</u>	<u>5,962,285</u>

11. TRADE DEBTS

	<u>16,996,989</u>	<u>16,007,210</u>
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These represent the amounts due from customers and members on account of trades undertaken before year-end but becoming due after year-end. All receivable amounts are secured and considered good by the management.

12. ADVANCES AND OTHER RECEIVABLE

Advance to staff	12.1 338,314	338,315
Advance Tax	1,664,319	333,474
Other receivables	<u>2,090,335</u>	<u>4,147,089</u>
	<u>4,092,968</u>	<u>4,818,878</u>

12.1) Advance to Staff

The amounts are interest free, unsecured and considered good by the management.