



TRUST SECURITIES & BROKERAGE LTD

For the Quarter Ended
September 30th 2022





Our Commitment to Growth

For over 25 years, Trust Securities and Brokerage Limited have been providing cutting edge brokerage solution. We consecutively strive to achieve client satisfaction by providing a diversified portfolio with well-measured risk management. Our commitment to growth is well tied with our mantra 'to give back' to our stakeholders. With similar zeal, innovation, discipline and integrity, we strive to be the leading brokerage firm of Pakistan.





Overview

Trust Securities and Brokerage Limited (TSBL) is a leading brokerage house listed on the Pakistan Stock Exchange with its headquarters in Karachi. We trace our history back to 1993 providing a full array of brokerage services to our clientele. We have our presence in Lahore and Karachi with a total of 6 branches on a pan-Pakistan basis, with combined staff strength of highly experienced employees.

The current sponsors took over the company in 2017 and through a fresh capital injection, hiring of experienced and dedicated staff, the company has made a turn around.

We remain client focused and work for long term benefit of our clients eventually leading to continuous growth for our stakeholders.

We are committed on serving our clients offering them unmatched services to help them achieve targets from the ever-growing capital market.





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Vision

To create a viable and a diversified brokerage and financial services business dedicated to creating continuous value for our clients, fully compliant with the letter and spirit of the laws, while earning profits for our shareholders and crafting a workplace which attracts the best talent and enables us to train and retain them.

Mission

To be a top tier brokerage and financial service company in Pakistan, with innovation, discipline and integrity at the heart of our business involved real value, impacting clients and shareholders

Core Values

Integrity

Serve our customers with uncompromising honesty and transparency.

Excellence

Provide our customers with innovative technology and superior quality, value and service.

Social Responsibility

Be active in Social responsibility by paying attention to our social and physical environment.

Leadership

Value and develop our employees' diverse talents, initiative and leadership and make it possible for them to take on challenges.





Code of Conduct

Trust Securities & Brokerage Limited (TSBL) strongly support corporate decorum and ensure and running its business progressively while adopting a Code of Ethics and Business Practice

Corporate Social Responsibility

Corporate social responsibility (CSR) is a subject that has garnered considerable attention in recent years.

It is our endeavor to contribute towards environmental responsibility, ethical responsibility, philanthropic responsibility and economic responsibility .

We strive hard to maintain equilibrium between revenues for our share holders and our responsibility towards fellow beings.



Company Information

Board of Directors:

Ms. Zenobia Wasif
 Mr. Abdul Basit
 Mr. Zulfiqar Ali Anjum
 Mr. Khizer Hayat Farooq
 WG CDR. Talat Mahmood (Retd.)
 Mr. Junaid Shehzad Ahmad
 Sardar Abdul Majeed Khan

Chairperson/Director (Non-Executive)
 Chief Executive Officer/Director (Executive)
 Director (Executive)
 Director (Non-Executive – Independent)
 Director (Non-Executive – Independent)
 Director (Non-Executive)
 Director (Non-Executive)

Chief Financial Officer

Muhammad Ahmed

Company Secretary

Syed Maqsood Ahmad

Audit Committee:

Mr. Talat Mahmood	Chairman
Ms. Zenobia Wasif	Member
Mr. Junaid Shehzad Ahmad	Member

H.R & Remuneration Committee:

Mr. Khizer Hayat Farooq	Chairman
Mr. Junaid Shehzad Ahmad	Member
Mr. Zulfiqar Ali Anjum	Member

Auditors:

Reanda Haroon Zakaria & Company
 Chartered Accountants

Internal Auditors:

Muhammad Adnan Siddiqui
 Chartered Accountant

Management & Credit Rating

Pakistan Credit Rating Agency (PACRA)

Legal Advisors:

Lashari & Co

Share Registrar:

Hameed Majeed Associates (Pvt.) Ltd.
 H.M. House, 7-Bank Square, Lahore.
 Tel: (92-42) 3723 5081-82, Fax: (92-42) 37358817

Legal Consultant:

Haider Waheed Partners

Bankers:

Habib Bank Limited
 J.S. Bank Limited
 Habib Metropolitan Bank Limited
 Meezan Bank Limited

MCB Bank Limited
 Bank AL Habib Limited
 Bank Islami Limited
 Bank Al Baraka

Registered Office:

Suite No. 401, 4th Floor, Business & Finance Centre
 I.I. Chundrigar Road, Karachi (Pakistan)
 UAN: (92-21)111-000-875
 Tel: (92-21) 32469044-48, Fax: (92-21)32467660

Branch Office Lahore:

2nd Floor, Associated House
 Building No. 1&2, 7-Kashmir Road, Lahore
 Tel: (92-42) 36310241-44, Fax: (92-42) 36373040

Branch Office Karachi:

2nd Floor, 202-203 & 725, PSX Building
 Stock Exchange Road, Karachi, Pakistan
 Tel: (92-21) 32460161-7, Fax: (92-21) 32467660

Branch Office LSE Plaza, Lahore:

Room No. 607, 6th Floor, LSE Plaza
 19-Khayaban-e-Aiwan-e-Iqbal, Lahore
 Tel: (92-42) 36300181, 36300554, 36373045, 36374710

PMEX Branch Office – BFC Building, Karachi

Room No. 510, 5th Floor, Business & Finance Center
 I.I. Chundrigar, Road, Karachi

PMEX Branch Office – DHA, Karachi

Mezzanine No. 2, Mezzanine Floor, Plot No. 550-C,
 11th Commercial Street, DHA, Phase-II Ext., Karachi

PMEX Branch Office – LSE Plaza, Lahore

Room No. 616, 6th Floor, Stock Exchange Building,
 19-Khayaban-e-Aiwan-e-Iqbal, Lahore

Credit and Management Rating

Management Rating
BMR2+
With Stable Outlook

Entity Rating
A- & A2
Long Term & Short Term

Fiduciary Rating
BFR 2
With Stable Outlook



Directors' Report

DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Directors of the company we are please to present the Un-Audited Financial Statements of the company for the First Quarter ended 30th September 2022 together with Directors report thereon as per accounting, regulatory and legal requirements.

Following is the summary of the company's financial performance during the quarter:

	September 30' 2022	September 30' 2021
Revenue	39,305,511	63,018,676
Operating Profit/(Loss)	1,303,515	(9,146,564)
Profit Before Taxation	2,912,205	2,108,976
Profit After Taxation	889,512	275,369

We are pleased to announce the company's financial results for the first quarter ended which has seen an increase in the revenue compared to previous year whereas achieving a net profit and positive EPS despite increasingly difficult economic conditions and competitive pressures with ongoing political scenario.

The company earned a net profit of Rs. 889,512 for the first quarter ended 2022 against a net profit of Rs. 275,369 in the previous corresponding period i.e. September 30' 2021.

The earning per share (EPS) for the first quarter ended September 30, 2022 is 0.03 which is state contrast to the on-going market performance.

The primary factors resulting in lackluster revenues were the low volume on the bourse which resulted in low number of daily trades as well as open positions in the Proprietary Account . There were ups and downs in the market due to the ongoing geo-political crisis and also the International Commodity Prices which affected the economic growth and higher inflation.

ACKNOWLEDGMENT

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.

We would like to acknowledge the Securities and Exchange Commission of Pakistan (SECP), Central Depository Company of Pakistan Limited (CDC) and National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) for their efforts to strengthen capital markets and measures to protect investor rights.

For and on behalf of the Board.



Abdul Basit
Chief Executive Officer



Zenobia Wasif
Chairperson/Director

Karachi, October 27, 2022



Financials

Statement of Financial Position

AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
----- Rupees -----			
ASSETS			
Non-Current Assets			
Property and equipment	5	13,200,109	13,582,427
Right of use Asset	6	14,479,470	15,424,874
Intangibles	7	5,669,684	5,738,434
Long term deposits	8	10,239,515	10,239,515
Deffered Taxation	9	14,560,243	12,755,206
		58,149,021	57,740,456
Current Assets			
Short term investments	10	32,560,727	45,494,101
Trade debts	11	198,482,065	177,276,250
Investment in Margin Financing System	12	41,287,931	42,864,992
Advances, prepayments and other receivables	13	138,679,722	127,927,316
Cash and bank balances	14	31,499,133	68,425,609
		442,509,579	461,988,268
Total Assets		500,658,600	519,728,724
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
75,000,000 ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital	15	300,000,000	300,000,000
Reserves			
Accumulated Losses		(9,663,699)	(10,527,892)
Shareholders' Equity		290,336,301	289,472,108
Non-Current Liabilities			
Lease Liabilities	6	7,293,307	8,596,852
Current Liabilities			
Current maturity of lease liabilities	6	8,163,596	7,699,929
Short term borrowings	16	20,947,594	50,219,839
Provision for taxation	17	2,937,013	461,355
Trade and other payables	18	170,980,790	163,278,641
		203,028,992	221,659,764
Commitments	19		
Total Equity and Liabilities		500,658,600	519,728,724

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



Chief Executive



Director



Chief Financial Officer

Statement of Profit or Loss

For the Period Ended September 30, 2022

		(Un-audited) First quarter ended September 30, 2022	(Un-audited) First quarter ended September 30, 2021
	Note	----- Rupees -----	
Operating revenue	20	39,305,511	63,018,676
Gain / (Loss) on sale of short term Investments		10,265,258	(1,117,024)
(Loss) on re-measurement of investments - At FVTPL		(925,773)	(6,838,632)
		48,644,996	55,063,020
Operating and administrative expenses	21	(45,583,232)	(62,474,734)
Finance cost	22	(1,758,249)	(1,734,850)
		(47,341,481)	(64,209,584)
Operating Profit / (loss)		1,303,515	(9,146,564)
Other Charges	23	(7,551,171)	(717,562)
Other income	24	9,159,861	11,973,101
Profit before taxation		2,912,205	2,108,976
Taxation	25	(2,022,693)	(1,833,607)
Profit after taxation		889,512	275,369
Profit per share - basic and diluted		0.03	0.01

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



Chief Executive



Director




Chief Financial Officer

Statement of Comprehensive Income

For the Period Ended September 30, 2022

	(Un-audited) First quarter ended September 30, 2022	(Un-audited) First quarter ended September 30, 2021
	----- Rupees -----	
Profit for the first quarter	889,512	275,369
Other comprehensive income :		
Loss on sale of investment through OCI	(25,319)	-
Total comprehensive Profit for the first quarter	864,193	275,369

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



Chief Executive



Director



Chief Financial Officer

Statement of Changes in Equity

For the Period Ended September 30, 2022

	Share Capital	Revenue Reserves			Shareholders' Equity
		Surplus on investments fair value through OCI	Accumulated Losses	Sub Total	
----- - Rupees - -----					
Balance as at June 2021.	300,000,000	9,964,944	(6,841,475)	3,123,469	303,123,469
Total comprehensive profit / (loss) for the first quarter					
Profit for the first quarter ended September 30, 2021	-	-	275,369	275,369	275,369
Other Comprehensive Income					
Total comprehensive Profit for the first quarter ended September 30, 2021	-	-	275,369	275,369	275,369
Balance as at Setpember 30, 2021	300,000,000	9,964,944	(6,566,106)	3,398,838	303,398,838
Balance as at June 2022	300,000,000	9,964,944	(20,492,836)	(10,527,892)	289,472,108
Total comprehensive profit / (loss) for the first quarter					
Loss for the first quarter ended September 30, 2022	-	-	889,512	889,512	889,512
Other comprehensive Loss for the first quarter ended September 30, 2022.		(25,319)	-	(25,319)	(25,319)
Transfer of gain on disposal of investment		(9,939,625)	9,939,625	-	-
Balance as at Setpember 30, 2022	300,000,000	-	(9,663,699)	(9,663,699)	290,336,301



Chief Executive



Director



Chief Financial Officer

Statement of Cash Flows


For the Period Ended September 30, 2022

	(Un-audited) First quarter ended September 30, 2022	(Un-audited) First quarter ended September 30, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES	----- Rupees -----	
Profit before taxation	2,912,205	2,108,976
Adjustment for non-cash charges and other items		
Depreciation & Amortization	2,652,408	2,290,998
Finance cost	1,758,249	1,734,850
Reversal of provision for doubtful debts	257,142	-
Interest Income on Saving Account	(1,198,902)	(63,786)
Interest Income on Exposure deposit	(2,473,984)	(2,318,931)
Interest Income on Leverage market products	(1,987,320)	(3,233,196)
Loss on sale of investments	(10,265,258)	1,117,024
Unrealised (Gain) / Loss on remeasurement of investments	925,773	6,838,632
	(10,331,892)	6,365,590
Operating Gain / (loss) before working capital changes	(7,419,687)	8,474,566
Changes in Working Capital :		
(Increase) / decrease in current assets		
Trade debts	(21,462,957)	(62,888,202)
Advances, prepayments and other receivables	(10,649,486)	70,872,872
Investment in Margin Financing	1,577,061	9,881,355
Investment in Margin Trading	-	(5,928,363)
Tax Due from Government	-	-
	(30,535,382)	11,937,663
Increase / (decrease) in current liabilities		
Trade and other payables	7,702,149	(25,218,102)
Tax Payable to Government	-	-
	7,702,149	(25,218,102)
Cash (used in) / generated from operations after working capital changes	(30,252,920)	(4,805,872)
Taxes paid	(1,352,072)	(2,068,697)
Finance cost paid	(1,192,028)	(1,304,068)
Long term deposits - net	-	(5,269,305)
	(2,544,100)	(8,642,070)
Net cash (used in) / generated from operating activities	(32,797,020)	(13,447,942)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal / (addition) to capital work in progress	-	-
Purchase of fixed assets	-	(1,635,843)
Investments-net	22,247,540	(12,842,273)
Profit received on saving account	1,670,617	58,805
Profit received on exposure deposit	2,473,984	2,318,931
Profit on leverage market products	1,412,684	1,796,554
Net cash (used in) / generated from investing activities	27,804,825	(10,303,827)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	(29,272,245)	8,432,635
Repayment of lease obligation	(2,662,036)	(2,069,113)
Net cash generated / (used in) financing activities	(31,934,281)	6,363,522
Net (decrease) / increase in cash and cash equivalents (A+B)	(36,926,476)	(17,388,247)
Cash and cash equivalents at the beginning of the period	68,425,609	99,296,325
Cash and cash equivalents at the end of the period	31,499,133	81,908,078

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Chief Executive


Director


Chief Financial Officer

Notes to the Financial Statements

For the Period Ended September 30, 2022

1 THE COMPANY AND ITS OPERATION

The Company was incorporated in Pakistan on October 19, 1993 as a Public Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The company is listed on Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited.

The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities and other financial instruments and corporate financial services.

Further the company is also engaged in trading in commodities future, equity and debt securities on its own account through ready, spot and forward counters of the stock exchange and mercantile exchanges.

1.1 GEOGRAPHICAL LOCATION AND ADDRESS OF OFFICES ARE AS UNDER:

- **Head Office :** Suite No. 401, 4th floor, Business and Finance Center, I.I Chundrigar Road, Karachi.
- **Branch Offices :** 2nd Floor, Associated House Building No. 1&2, 7-Kashmir Road, Lahore.
Room No. 202 & 203, 2nd Floor New Stock Exchange Building, I.I. Chundrigar Road, Karachi.
Room No. 725, 7th Floor New Stock Exchange Building, I.I. Chundrigar Road, Karachi.

Room No. 607, 6th Floor, LSE Plaza 19-Khayaban-e-Iqbal, Lahore.
Room No. 616, 6th Floor, Stock Exchange Building 19-Khayaban-e-Iqbal, Lahore.

PMEX Branch Office- DHA, Karachi Mezzanine No.2, Plot No. 550-C 11th Commercial Street, DHA, Phase-II Ext, Karachi.
Room No. 510, 5th Floor, Business & Finance Centre I.I. Chundrigar Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements are unaudited do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2022 has been prepared on the settlement date basis.

2.2 Functional and Presentation Currency

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022.

4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2022.

		(Un-audited)	Audited
		First quarter ended September 30, 2022	Year ended June 30, 2022
		----- Rupees -----	
5	PROPERTY AND EQUIPMENTS		
	Property and equipment	12,950,109	13,332,427
	Capital work-in-progress	250,000	250,000
		<u>13,200,109</u>	<u>13,582,427</u>
	5.1) Property and equipment		
	Opening written down value	13,332,427	12,749,879
	Total additions during the period		2,312,843
	Transferred from CWIP	-	-
	Total disposals during the period	-	(27,737)
	Depreciation charge for the period	(382,318)	(1,702,558)
	Depreciation charged on disposal	-	-
	Closing written down value	<u>12,950,109</u>	<u>13,332,427</u>
6	RIGHT OF USE ASSETS / LEASE		
	6.1 Right-of-use assets		
	Opening Right of use Assets	15,424,874	17,121,108
	Additions	1,255,936	6,220,120
	Depreciation Expenses	(2,201,340)	(7,916,354)
		(945,404)	(1,696,234)
		<u>(2,201,340)</u>	<u>(1,696,234)</u>
	Closing Right of use Assets	<u>14,479,470</u>	<u>15,424,874</u>
	6.2 Lease Liabilities		
	Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The future lease payments have been discounted using incremental borrowing cost on properties lease from 9.92%-18.27% and vehicles leases borrowings cost from 10.30%-18.16% Set out below the carrying amount of lease liabilities and the movements during the period:		
	Opening lease liability	16,296,781	17,359,085
	Additions	1,255,936	6,220,120
	Interest Expense	566,222	1,928,418
	Payments	(2,662,036)	(9,210,842)
		(839,878)	(1,062,304)
	Closing lease liability	<u>15,456,903</u>	<u>16,296,781</u>
	Current portion of Lease liability'	8,163,596	7,699,929
	Non - Current portion of lease liability	7,293,307	8,596,852
		<u>15,456,903</u>	<u>16,296,781</u>
7	INTANGIBLES		
	Trading Rights Entitlement Certificate (TREC)		
	Pakistan Stock Exchange Limited	7.1 & 7.2	1,280,000
	Offices		
	LSE Financial Services Limited (LFSL)	7.3	262,600
	Pakistan Mercantile Exchange Limited.		2,500,000
	Software	7.4	1,627,084
			<u>5,669,684</u>
			<u>5,738,434</u>

7.1) Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integrations) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received the equity shares of LSE Financial Services Limited (LFSL) and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Lahore Stock Exchange (Guarantee) Limited.

7.2) This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.

7.3) This represent cost of offices given by LSE Financial Services Limited 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.

	(Un-audited)	Audited
	First quarter ended September 30, 2022	Year ended June 30, 2022
	----- Rupees -----	
7.4) Software		
Opening net Book Value	1,695,834	1,970,834
Additions	-	
Amortization	(68,750)	(275,000)
Closing net book value	1,627,084	1,695,834
Amortization Rate	10%	10%
8 LONG TERM DEPOSITS		
Unsecured - Considered good		
National Clearing Company of Pakistan Limited	1,400,000	1,400,000
Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Mercantile Exchange Limited	500,000	500,000
Base Minimum Capital	4,969,305	4,969,305
Rental Deposits	565,500	565,500
Lease Deposits	2,704,710	2,704,710
	10,239,515	10,239,515
9 DEFERRED TAXATION		
Deferred tax asset is net off of taxable / (deductible) temporary differences in respect of the followings:-		
Taxable temporary differences		
Accelerated tax depreciation	(5,213,501)	(5,410,355)
Unrealized loss on investments	-	-
	(5,213,501)	(5,410,355)
Deductible temporary differences		
Provision for doubtful debts	6,658,061	4,542,792
Lease liability	4,482,502	4,726,066
Minimum tax	1,721,043	1,721,043
Alternative Corporate Tax	4,641,752	4,641,752
Short Term Investment	2,270,386	-
Capital gain tax	-	2,533,908
	19,773,744	18,165,561
	14,560,243	12,755,206
10 SHORT TERM INVESTMENTS		
At fair value through profit or loss - Initially designated		
In shares of quoted company	32,530,727	32,779,157
In shares of unquoted company	30,000	12,714,944
	32,560,727	45,494,101
10.1 Unquoted company		
Carrying amount	60,000	60,000
Accumulated impairment	(30,000)	(30,000)
	30,000	30,000
10.2		
This represents investment in fully paid ordinary shares of Takaful Pakistan Limited. The break-up value is Rs. 5.33 per share based on un audited financial statements for the period ended March 31, 2022.		
11 TRADE DEBTS		
Considered good	198,482,064	177,276,250
Considered doubtful	22,958,831	15,664,801
	221,440,895	192,941,051
Provision for doubtful debts	(22,958,830)	(15,664,801)
	198,482,065	177,276,250

11.1) Provision for doubtful debts

Balance at beginning of the period	15,664,801	9,119,762
Provision made during the period	7,551,171	7,103,542
	23,215,972	16,223,304
Reversal of excess provision against Trade Debt	-	-
Reversal of excess provision	(257,142)	(558,503)
	<u>22,958,830</u>	<u>15,664,801</u>

11.2) Aging analysis

The aging analysis of trade debts is as follows:

Upto fourteen days	172,773,883	145,835,616
More than fourteen days	48,667,012	47,105,435
	<u>221,440,895</u>	<u>192,941,051</u>

12 INVESTMENT IN MARGIN FINANCING

This amount is given as a Margin Financing (MF) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house account. The company is financing on agreed Financing Participation Ratio (FPR) and charging markup upto the rate of 1 Month Kibor (prevailing at the close of immediately preceding working day) +8%.

13 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**- Considered good****Advances**

Advances to staff	4,553,693	4,542,073
Advance for office maintainance	1,806,600	1,909,140
	<u>6,360,293</u>	<u>6,451,213</u>

Deposits

Deposit against exposure margin	13.1	38,309,500	49,206,529
Deposit against margin trading system	13.2	42,433,348	34,699,872
Deposit against PMEX Margin	13.3	39,765,091	29,148,533
		<u>120,507,939</u>	<u>113,054,934</u>

Prepayments

Short term prepayments	216,000	-
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Other receivables

Other receivables	249,324	820,881
PMEX Clearing house	3,735,581	2,714,377
Markup receivable against Leverage Product	4,136,436	3,561,800
Markup receivable against Saving account	23,488	495,203
Capital gain tax receivable	-	-
Retained Profit future Contract from NCCPL	3,450,661	828,908
	<u>11,595,490</u>	<u>8,421,169</u>
	<u>138,679,722</u>	<u>127,927,316</u>

13.1) This represents deposits with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter.

13.2) This represents deposits with National Clearing Company of Pakistan Limited against exposure margin against trade and sustained losses to date on Margin Trading Services.

13.3) This represents deposits with Pakistan mercantile Exchange Limited against the Exposure Margin against commodities Future.

14 CASH AND BANK BALANCES

Cash in Hand			979,339	668,764
Cash at banks				
In Current account			811,938	1,486,785
In saving account			29,707,857	66,270,060
	14.1		30,519,794	67,756,845
			31,499,133	68,425,609
14.1) Balance pertaining to				
- clients			28,721,270	65,917,676
- brokerage house			1,798,525	1,839,169
			30,519,794	67,756,845

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of Shares				
September 30, 2022	June 30, 2022			
30,000,000	30,000,000	Ordinary shares of Rs.10 each fully paid in cash	15.1	300,000,000
				300,000,000

15.1) Pattern of shareholdings

Categories of	As at September 30, 2022		As at June 30, 2022	
	Number of shares held	% of shares held	Number of shares held	% of shares held
Associated Companies, Undertakings and Related Parties				
- Mr. Junaid Shehzad Ahmed	8,080,000	26.93%	8,080,000	26.93%
- Foresight Investments (Pakistan) Ltd	2,765,000	9.22%	2,765,000	9.22%
- MG Media	2,606,500	8.69%	2,606,500	8.69%
- Mr. Muhammad Khurram Faraz	4,891,000	16.30%	4,891,000	16.30%
- Other Institution not more than 5% holding	2,031,246	6.77%	2,040,246	6.80%
- Other Individuals not more than 5% holding	9,626,254	32.09%	9,617,254	32.06%
	30,000,000	100.00%	30,000,000	100.00%

(Un-audited)	(Audited)
First quarter ended September 30, 2022	Year ended June 30, 2022

16 SHORT TERM BORROWINGS

Secured - interest bearing - from banking companies

Running finance

----- Rupees -----

20,947,594	50,219,839
------------	------------

The company has obtained a running finance facility of Rs. 240 million from a banking company to finance daily clearing obligation of Pakistan stock exchange and settlement of client trade. The facility carries markup of 3 month kibar + 2.5% per annum to be paid on quarterly basis. The facility is secured against pledge of shares as per approved lists and margins charge over shares duly registered with SECP. Lien over account in name of company, Director and Sponsors of company or 3rd party @ 10% maintained.

Credit facilities available and unavailed as at September 30, 2022 are as follows: -

Sanctioned limit		Unavailed facility	
As of September 30, 2022	As of June 30, 2022	As of September 30, 2022	As of June 30, 2022
240,000,000	240,000,000	219,052,406	189,780,161

17 PROVISION FOR TAXATION

Opening tax Payable / (refundable)
Tax refund during the period
Tax paid during the period
Provision for the period
Closing Tax payable

(Un-audited)	(Audited)
First quarter ended September 30, 2022	Year ended June 30, 2022

----- Rupees -----

461,355	11,537,330
-	-
(1,352,072)	(14,173,941)
(890,717)	(2,636,611)
3,827,730	3,097,966
2,937,013	461,355

18 TRADE AND OTHER PAYABLES

Trade creditors
Accrued Liabilities
Accrued Mark up
Withholding Tax payable
Sindh Sales tax Payable
Employees compensated absences
Retain future profit of clients
DFC withheld exposures
Withheld Regular & MTS Exposures & Margin
Other liabilities

(Un-audited)	(Audited)
First quarter ended September 30, 2022	Year ended June 30, 2022

----- Rupees -----

70,648,569	72,428,448
9,400,966	14,009,170
1,185,971	1,111,160
3,297,827	4,267,591
3,384,199	2,813,567
-	651,567
6,135,500	1,657,815
10,667,168	10,714,052
59,387,794	47,273,923
6,872,796	8,351,348
170,980,790	163,278,641

19 COMMITMENTS

Commitment against unrecorded transactions executed before the period end having settlement date subsequent to period end: -

For purchase of shares
For sale of shares

1,199,230,853	133,753,324
1,183,234,918	139,061,397

20 OPERATING REVENUE

Brokerage income from Pakistan Stock Exchange
Brokerage income from Pakistan Mercantile Exchange Limited

27,524,701	59,744,281
11,780,810	3,274,395
39,305,511	63,018,676

21 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances
Director's remuneration
Commission to Employees
Clearing house charges
Communication expenses
Printing and stationery
Entertainment expense
Traveling & Lodging expense
Repair and maintenance
Electricity and utilities
Insurance
Depreciation
Amortization
Amortization on right of use assets
Internet and software maintenance charges
Charity & Donation
Legal and professional charges
Fees and subscriptions
Rent, rates and taxes
Miscellaneous expense

16,231,173	16,769,331
449,610	369,740
17,049,483	33,204,941
2,005,135	4,041,171
351,621	527,818
248,765	218,290
702,787	787,636
534,066	250,509
520,924	367,071
1,046,418	769,990
47,415	22,832
382,318	399,194
68,750	68,750
2,201,340	1,823,054
1,179,434	720,892
30,000	60,500
-	107,000
1,158,386	1,103,167
842,092	257,534
533,514	605,314
45,583,232	62,474,734

	(Un-audited) First quarter ended September 30, 2022	(Audited) First quarter ended September 30, 2021
22 FINANCE COST	----- Rupees -----	
Bank charges	6,056	11,478
Interest expense on lease liability	566,222	430,782
Markup on overdraft	1,185,972	1,292,590
	<u>1,758,249</u>	<u>1,734,850</u>
23 OTHER CHARGES		
Provision for doubtful debts	<u>7,551,171</u>	<u>717,562</u>
24 OTHER INCOME - Net		
Income from financial assets		
- Interest on saving account	1,198,902	63,786
- Interest income on exposure deposited	2,473,984	2,318,931
- Interest income on Margin Financing	1,987,320	3,233,196
- Reversal of provision for doubtful debts	257,142	-
	5,917,348	5,615,913
Income from other than financial assets		
- Gain / (loss) on sale of fixed assets	-	-
- Other	3,242,513	6,357,188
	<u>9,159,861</u>	<u>11,973,101</u>
25 TAXATION		
Current	3,827,730	5,321,261
Deferred taxation	(1,805,037)	
	<u>2,022,693</u>	<u>5,321,261</u>

Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

Due to the brought forward tax losses, provision for current income tax is based on section 113(C) of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company, key management employees and staff retirement benefits. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on **October 27, 2022**

28 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Director



Chief Financial Officer