



**Celebrating 30 Years of TRUST**





# Company Information

## Board of Directors:

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

## Chief Financial Officer

Muhammad Ahmed

## Audit Committee:

|                          |          |
|--------------------------|----------|
| Mr. Talat Mahmood        | Chairman |
| Mrs. Zenobia Wasif       | Member   |
| Mr. Junaid Shehzad Ahmad | Member   |

## Management Committee ( ML/TF)

|                            |          |
|----------------------------|----------|
| Mr. Talat Mahmood          | Chairman |
| Mr. Muhammad Khurram Faraz | Member   |
| Mr. Abdul Basit            | Member   |

## Risk Management Committee

|                            |          |
|----------------------------|----------|
| Mr. Abdul Basit            | Chairman |
| Mr. Muhammad Khurram Faraz | Member   |
| Mr. Muhammad Umair Ansari  | Member   |
| Mr. Imran Sheikh           | Member   |

## Auditors:

Reanda Haroon Zakaria & Company  
Chartered Accountants

## Legal Advisors:

HWP LAW

## Legal Consultant:

Haider Waheed Partners

## Bankers:

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

## Registered Office:

Suite No. 401, 4<sup>th</sup> 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 Karachi:

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

## PMEX Branch Office – BFC Building, Karachi

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

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)

## Company Secretary

Syed Maqsood Ahmad

## H.R & Remuneration Committee:

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

## Investment Committee

|                            |          |
|----------------------------|----------|
| Mr. Abdul Basit            | Chairman |
| Mr. Muhammad Khurram Faraz | Member   |
| Mr. Zeeshan Haroon         | Member   |

## I.T. Steering Committee

|                            |          |
|----------------------------|----------|
| Mr. Khizer Hayat Farooq    | Chairman |
| Mr. Muhammad Khurram Faraz | Member   |
| Mr. Muhammad Zulfiqar      | Member   |

## Internal Auditors:

Muhammad Adnan Siddiqui  
Chartered Accountant

## Share Registrar:

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

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

## Branch Office Lahore:

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

## Branch Office LSE Plaza, Lahore:

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

## PMEX Branch Office – DHA, Karachi

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



## DIRECTORS' REPORT

For First Quarter Ended 30<sup>th</sup> September, 2023

### 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 30<sup>th</sup> September 2023 together with Directors report thereon as per accounting, regulatory and legal requirements.

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

|                        | September 30' 2023 | September 30' 2022 |
|------------------------|--------------------|--------------------|
| Revenue                | 38,088,470         | 42,247,089         |
| Profit Before Taxation | 28,054,034         | 2,912,205          |
| Profit After Taxation  | 23,779,000         | 889,512            |

We are pleased to announce the company's financial results for the first quarter ended which has seen a decrease in the revenue compared to previous year quarter whereas achieving a net profit and positive EPS i.e 0.79 despite increasingly difficult economic conditions and competitive pressures with ongoing political scenario.

The company earned a net profit of Rs. 23,779,000/- for the first quarter ended September 30, 2023 against a net profit of Rs. 889,512/- in the previous corresponding period i.e. September 30' 2022.

The earning per share (EPS) for the first quarter ended September 30, 2023 is **79 paisas** 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. 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.

Sd/-  
**Abdul Basit**  
Chief Executive Officer

Sd/-  
**Zenobia Wasif**  
Chairperson/Director

Karachi:  
October 30, 2023

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

|   |    | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i><br><i>Rupees</i> |
|---|----|---|---|
| <b><u>ASSETS</u></b>  |    |   |   |
| <b>Non-Current Assets</b>   |    |   |   |
| Property and equipment  | 5  | 12,378,969  | 12,668,771  |
| Right of use assets   | 6  | 13,932,387  | 16,907,400  |
| Intangibles   | 7  | 5,394,684   | 5,463,434   |
| Long term deposits  | 8  | 7,584,805   | 7,584,805   |
| Deferred taxation   | 9  | 15,151,605  | 15,064,560  |
|   |    | <b>54,442,450</b>   | <b>57,688,970</b>   |
| <b>Current Assets</b>   |    |   |   |
| Short term investments  | 10 | 20,092,566  | 20,691,263  |
| Trade debts   | 11 | 246,527,172   | 227,653,345   |
| Receivable against margin finance   | 12 | 35,411,348  | 36,881,835  |
| Advances, deposits and other receivables  | 13 | 129,340,094   | 94,731,127  |
| Tax refunds due from government - net   |    | 238,365   | 1,746,059   |
| Cash and bank balances  | 14 | 39,007,618  | 54,804,227  |
|   |    | <b>470,617,164</b>  | <b>436,507,856</b>  |
| <b>Total Assets</b>   |    | <b>525,059,614</b>  | <b>494,196,826</b>  |
| <b><u>EQUITY AND LIABILITIES</u></b>  |    |   |   |
| <b>Share Capital and Reserves</b>   |    |   |   |
| <b>Authorized Capital</b>   |    |   |   |
| 75,000,000 (2022 : 75,000,000) Ordinary shares<br>Ordinary shares) of Rs. 10 each |    | <b>750,000,000</b>  | <b>750,000,000</b>  |
| Issued, subscribed and paid-up capital  | 15 | <b>300,000,000</b>  | <b>300,000,000</b>  |
| <b>Reserves</b>   |    |   |   |
| Accumulated Profit / losses   |    | <b>2,957,120</b>  | <b>(20,821,880)</b>   |
| <b>Shareholders' Equity</b>   |    | <b>302,957,120</b>  | <b>279,178,120</b>  |
| <b>Non-Current Liabilities</b>  |    |   |   |
| Lease liabilities   | 16 | <b>5,970,010</b>  | <b>7,241,438</b>  |
| <b>Current Liabilities</b>  |    |   |   |
| Trade and other payables  | 17 | <b>176,170,046</b>  | <b>150,393,266</b>  |
| Short term borrowings   | 18 | <b>32,816,036</b>   | <b>48,622,358</b>   |
| Current portion of lease liabilities  | 16 | <b>7,146,401</b>  | <b>8,761,644</b>  |
|   |    | <b>216,132,483</b>  | <b>207,777,268</b>  |
| <b>Contingency &amp; Commitments</b>  | 19 |   |   |
| <b>Total Equity and Liabilities</b>   |    | <b>525,059,614</b>  | <b>494,196,826</b>  |

The annexed notes from 1 to 22 form an integral part of these financial statements.

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

Sd/-  
Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

|  |             | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2022</i><br><i>Rupees</i> |
|--|-------------|---|---|
|  | <i>Note</i> |   |   |
| Operating revenue  | 20          | <b>38,088,470</b>   | 42,247,089  |
| Gain on sale of short term investments                   |             | <b>30,309,636</b>   | 10,265,258  |
| Gain / (Loss) on remeasurement of investments - at FVTPL |             | <b>1,759,353</b>  | (925,773)   |
| Operating and administrative expenses                    |             | <b>(46,658,431)</b>   | (45,583,232)  |
| Finance cost   |             | <b>(2,490,741)</b>  | (1,758,249)   |
| Other charges  |             | <b>(1,899,861)</b>  | (7,551,171)   |
| Other income   |             | <b>8,945,609</b>  | 6,218,283   |
| <b>Profit before taxation</b>                            |             | <b>28,054,034</b>   | 2,912,205   |
| Taxation   |             | <b>(4,275,034)</b>  | (2,022,693)   |
| <b>Profit after taxation</b>                             |             | <b>23,779,000</b>   | 889,512   |
| <b>Profit per share - basic and diluted</b>              |             | <b>0.79</b>   | 0.03  |

The annexed notes from 1 to 22 form an integral part of these financial statements.

Sd/-  


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*Chief Executive Officer*

Sd/-  


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*Chief Financial Officer*

Sd/-  


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*Director*

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

|  | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2022</i><br><i>Rupees</i> |
|--|---|---|
| <b>Profit for the first quarter</b>              | <b>23,779,000</b>   | 889,512   |
| <b>Other comprehensive income</b>                |   |   |
| Loss on sale of investment through OCI           | -   | (25,319)  |
| <b>Total comprehensive Profit for the period</b> | <b><u>23,779,000</u></b>  | <b><u>864,193</u></b>   |

Sd/-  
 \_\_\_\_\_  
*Chief Executive Officer*

Sd/-  
 \_\_\_\_\_  
*Chief Financial Officer*

Sd/-  
 \_\_\_\_\_  
*Director*

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

|  | <i>Revenue reserve</i>                        |   |                                    | <i>Sub Total</i>    | <i>Shareholders Equity</i> |
|--|---|---|------------------------------------|---------------------|----------------------------|
|  | <i>Issued, subscribed and paid-up capital</i> | <i>Remeasurement gain of investments fair value through OCI</i> | <i>Accumulated Profit / Losses</i> |                     |                            |
|  | -----Rupees-----                              |   |                                    |                     |                            |
| <b>Balance as at June 30, 2022</b>   | 300,000,000                                   | 9,964,944   | (20,492,836)                       | (10,527,892)        | 289,472,108                |
| <b>Total comprehensive profit/ (loss) for the first quarter ended September 30, 2022</b> |   |   |                                    |                     |                            |
| Profit 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                          |                     |                            |
|  | -   | (9,964,944)   | 10,829,137                         | 864,193             | 864,193                    |
| Balance as at September 30, 2022   | 300,000,000                                   | -   | (9,663,699)                        | (9,663,699)         | 290,336,301                |
| <b>Balance as at June 30, 2023</b>   | <b>300,000,000</b>                            | <b>-</b>  | <b>(20,821,880)</b>                | <b>(20,821,880)</b> | <b>279,178,120</b>         |
| <b>Total comprehensive profit for the first quarter ended September 30, 2023</b>         |   |   |                                    |                     |                            |
| Profit for the first quarter ended September 30, 2023                                    | -   | -   | 23,779,000                         | 23,779,000          | 23,779,000                 |
|  | -   | -   | 23,779,000                         | 23,779,000          | 23,779,000                 |
| <b>Balance as at September 30, 2023</b>  | <b>300,000,000</b>                            | <b>-</b>  | <b>2,957,120</b>                   | <b>2,957,120</b>    | <b>302,957,120</b>         |

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

Sd/-  
Director



**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

|   | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>September, 30</i><br><i>2022</i><br><i>Rupees</i> |
|---|---|--|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |   |  |
| <b>Profit before taxation</b>                                   | <b>28,054,034</b>   | <b>2,912,205</b>   |
| <b>Adjustment for non-cash charges and other items</b>          |   |  |
| Depreciation & Amortization                                     | 2,726,349   | 2,652,408  |
| Provision for Doubtful Debt                                     | 1,899,861   | -  |
| Finance cost  | 2,490,741   | 1,758,249  |
| Reversal of provision for doubtful debts                        | (1,752,621)   | 257,142  |
| Interst Income on Saving Account                                | (3,335,598)   | (1,198,902)  |
| Interst Income on Exposure deposit                              | (2,950,445)   | (2,473,984)  |
| Interst Income on Leverage market products                      | (588,946)   | (1,987,320)  |
| Loss on sale of investments                                     | -   | (10,265,258)   |
| Dividend Income   | (91,064)  | -  |
| Unrealised (Gain) / Loss on remeasurement of investments        | (1,759,353)   | 925,773  |
|   | <u>(3,361,075)</u>  | <u>(10,331,892)</u>  |
|   | <b>24,692,959</b>   | <b>(7,419,687)</b>   |
| <b>Changes in Working Capital:</b>                              |   |  |
| <b>(Increase) / decrease in current assets</b>                  |   |  |
| Trade debts   | (18,873,827)  | (21,462,957)   |
| Advances, prepayments and other receivables                     | (34,608,967)  | (10,649,486)   |
| Investment in Margin Financing                                  | 1,470,487   | 1,577,061  |
| Tax Due from Government   | 1,507,694   | -  |
|   | <u>(50,504,614)</u>   | <u>(30,535,382)</u>  |
| <b>Increase / (Decrease) in current liabilities</b>             |   |  |
| Trade and other payables  | 25,441,316  | 7,702,149  |
| <b>Cash used in operations</b>                                  | <u>(370,338)</u>  | <u>(30,252,920)</u>  |
| Taxes paid  | (4,600,444)   | (1,352,072)  |
| Finance cost paid   | (1,296,576)   | (1,192,028)  |
| Long term deposits - net  | (5,897,020)   | (2,544,100)  |
| <b>Net cash used in operating activities</b>                    | <u>(6,267,358)</u>  | <u>(32,797,020)</u>  |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |   |  |
| Disposal / (addition) to capital work in progress               | (64,450)  | -  |
| Investments-net   | 2,303,925   | 22,247,540   |
| Dividend Income   | 91,064  | -  |
| Interest income received  | 6,919,708   | 5,557,285  |
| <b>Net cash generated from / (used in) investing activities</b> | <u>9,250,247</u>  | <u>27,804,825</u>  |

|   | <i>(Un-Audited)</i>         | <i>(Audited)</i>     |
|---|-----------------------------|----------------------|
|   | <i>September, 30</i>        | <i>September, 30</i> |
| <i>Note</i>   | <i>2023</i>                 | <i>2022</i>          |
|   | <i>Rupees</i>               | <i>Rupees</i>        |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                      |
| (Repayment) / Proceeds from short term borrowings               | <b>(15,806,322)</b>         | (29,272,245)         |
| Repayment of liabilities against right use of asset             | <b>(2,973,176)</b>          | (2,662,036)          |
| <b>Net cash (used in) / generated from financing activities</b> | <b><u>(18,779,498)</u></b>  | <u>(31,934,281)</u>  |
| <b>Net decrease in cash and cash equivalents (A+B+C)</b>        | <b>(15,796,609)</b>         | (36,926,476)         |
| <b>Cash and cash equivalents at beginning of year</b>           | <b>54,804,227</b>           | 68,425,609           |
| <b>Cash and cash equivalents at end of year</b>                 | <b>14 <u>39,007,618</u></b> | <u>31,499,133</u>    |

The annexed notes from 1 to 22 form an integral part of these financial statements.

Sd/-  
\_\_\_\_\_  
*Chief Executive Officer*

Sd/-  
\_\_\_\_\_  
*Chief Financial Officer*

Sd/-  
\_\_\_\_\_  
*Director*

**TRUST SECURITIES & BROKERAGE LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

**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.  
  
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, 2023.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2023 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, 2023.

**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, 2023.

|            |   | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i><br><i>Rupees</i> |
|------------|---|---|---|
| <b>5</b>   | <b>PROPERTY AND EQUIPMENT</b>                                 |   |   |
|            | Operating fixed assets  | <b>12,144,519</b>   | 12,498,771  |
|            | Capital work in progress                                      | <b>234,450</b>  | 170,000   |
|            |   | <u><b>12,378,969</b></u>  | <u>12,668,771</u>   |
| <b>5.1</b> | <b>Operating fixed assets</b>                                 |   |   |
|            | Opening Written down value                                    | <b>12,498,771</b>   | 13,332,427  |
|            | Addition during the period                                    | -   | 508,844   |
|            | Transferred from capital work in progress                     | -   | 250,000   |
|            | Depreciation charged during the period                        | <b>(354,252)</b>  | (1,592,500)   |
|            | Closing written down value                                    | <u><b>12,144,519</b></u>  | <u>12,498,771</u>   |
| <b>5.2</b> | <b>Capital work in progress</b>                               |   |   |
|            | Opening balance   | <b>170,000</b>  | 250,000   |
|            | Addition during the year                                      | <b>64,450</b>   | 170,000   |
|            | Transferred to fixed assets                                   | -   | (250,000)   |
|            | Closing balance   | <u><b>234,450</b></u>   | <u>170,000</u>  |
| <b>6</b>   | <b>RIGHT OF USE ASSETS</b>                                    |   |   |
|            | Opening net book value  | <b>16,907,400</b>   | 15,424,874  |
|            | Additions   | -   | 12,380,486  |
|            | Derecognition of ROUA   | <b>(671,666)</b>  |   |
|            | Depreciation expense  | <b>(2,303,347)</b>  | (10,897,960)  |
|            |   | <u><b>(2,975,013)</b></u>   | <u>1,482,526</u>  |
|            | <b>Closing net book value</b>                                 | <u><b>13,932,387</b></u>  | <u>16,907,400</u>   |
| <b>7</b>   | <b>INTANGIBLES</b>  |   |   |
|            | <b>Trading Rights Entitlement Certificate (TREC)</b>          |   |   |
|            | Pakistan Stock Exchange Limited (PSX)                         | <b>1,280,000</b>  | 1,280,000   |
|            | <b>Offices</b>  |   |   |
|            | LSE Financial Services Limited (LFSL)                         | <b>262,600</b>  | 262,600   |
|            | <b>Pakistan Mercantile Exchange Limited (PMEX) membership</b> |   |   |
|            | Pakistan Mercantile Exchange Limited                          | <b>2,500,000</b>  | 2,500,000   |
|            | <b>Software</b>   | <b>1,352,084</b>  | 1,420,834   |
|            |   | <u><b>5,394,684</b></u>   | <u>5,463,434</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.

|                               | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i><br><i>Rupees</i> |
|-------------------------------|---|---|
| <b>7.4 Software</b>           |   |   |
| Opening net book value        | 1,420,834   | 1,695,834   |
| Amortization charge           | <u>(68,750)</u>   | <u>(275,000)</u>  |
| <b>Closing net book value</b> | <b><u>1,352,084</u></b>   | <b><u>1,420,834</u></b>   |
| Cost                          | 2,750,000   | 2,750,000   |
| Accumulated amortization      | <u>(1,397,916)</u>  | <u>(1,329,166)</u>  |
| <b>Net book value</b>         | <b><u>1,352,084</u></b>   | <b><u>1,420,834</u></b>   |
| <b>Amortization rate</b>      | <b><u>10%</u></b>   | <b><u>10%</u></b>   |

**8 LONG TERM DEPOSITS**  
**- Unsecured - Considered good**

|   |                         |                         |
|---|-------------------------|-------------------------|
| National Clearing Company of Pakistan Limited (NCCPL) | 1,500,000               | 1,500,000               |
| Central Depository Company of Pakistan Limited (CDC)  | 100,000                 | 100,000                 |
| Pakistan Mercantile Exchange Limited (PMEX)           | 500,000                 | 500,000                 |
| Base Minimum Capital                                  | 4,969,305               | 4,969,305               |
| Rentals deposits                                      | <u>515,500</u>          | <u>515,500</u>          |
|   | <b><u>7,584,805</u></b> | <b><u>7,584,805</u></b> |

**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 | (5,147,376) | (5,942,651) |
|------------------------------|-------------|-------------|

**Deductible temporary differences**

|  |                          |                          |
|--|--------------------------|--------------------------|
| Provision for expected credit losses (ECL) | 7,092,877                | 7,050,177                |
| Assessed tax losses                        | 5,679,205                | 5,679,205                |
| Lease liability                            | 3,803,759                | 4,640,894                |
| Minimum tax                                | 1,872,194                | 1,872,194                |
| Alternative Corporate Tax                  | 4,641,752                | 4,641,752                |
| Unabsorbed depreciation                    | 571,438                  | 571,438                  |
| Capital gain tax                           | <u>2,316,961</u>         | <u>2,230,756</u>         |
|  | 25,978,186               | 26,686,416               |
| Unrecognized deferred tax                  | <u>(5,679,205)</u>       | <u>(5,679,205)</u>       |
|  | <b><u>15,151,605</u></b> | <b><u>15,064,560</u></b> |

**10 SHORT TERM INVESTMENTS**

**At fair value through profit or loss**

|                               |             |                          |                          |
|-------------------------------|-------------|--------------------------|--------------------------|
| In shares of quoted company   | 10.1        | 20,068,566               | 20,667,263               |
| In shares of unquoted company | 10.2 & 10.3 | <u>24,000</u>            | <u>24,000</u>            |
|                               |             | <b><u>20,092,566</u></b> | <b><u>20,691,263</u></b> |

**10.1** Fair value of securities, pledged with Pakistan Stock Exchange limited against Base Minimum Capital (BMC), is Rs. 8.88 millions.



|                              |  | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i><br><i>Rupees</i> |
|------------------------------|--|---|---|
| <b>10.2 Unquoted company</b> |  |   |   |
| Carrying amount              |  | <b>60,000</b>   | 60,000  |
| Accumulated impairment       |  | <b>(36,000)</b>   | (36,000)  |
|                              |  | <b>24,000</b>   | 24,000  |

**10.3** 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, 2023.

## 11 TRADE DEBTS

|                                      |                        |                     |              |
|--------------------------------------|------------------------|---------------------|--------------|
| Considered good                      |                        | <b>246,527,172</b>  | 227,653,345  |
| Considered doubtful                  |                        | <b>24,458,196</b>   | 24,310,955   |
|                                      | <b>12.1 &amp; 12.2</b> | <b>270,985,368</b>  | 251,964,300  |
| Provision for expected credit losses | <b>11.2.1</b>          | <b>(24,458,196)</b> | (24,310,955) |
|                                      |                        | <b>246,527,172</b>  | 227,653,345  |

**11.1** The company holds capital securities having fair value of **Rs. 720.768 million** (30th June, 2023 : Rs. 594.301 million) owned by its clients, as collaterals against trade debts.

### 11.2 Aging analysis

The aging analysis of trade debts is as follows:

|                         |        |                    |             |
|-------------------------|--------|--------------------|-------------|
| Upto fourteen days      |        | <b>191,666,901</b> | 178,630,211 |
| More than fourteen days | 11.2.1 | <b>79,318,467</b>  | 73,334,268  |
|                         |        | <b>270,985,368</b> | 251,964,479 |

**11.2.1** Adequate provision of **Rs. 24.458 million** (30th June, 2023 : Rs.24.311 million) has been provided in respect of amount due from customers.

### 11.3 Provision for expected credit losses (ECL)

|  |    |                    |            |
|--|----|--------------------|------------|
| Balance as on July 01                        |    | <b>24,310,955</b>  | 15,664,801 |
| Provision made during the period             | 23 | <b>1,899,861</b>   | 9,253,891  |
|  |    | <b>26,210,816</b>  | 24,918,692 |
| Reversal of excess provision due to recovery |    | <b>(1,752,620)</b> | (607,737)  |
|  |    | <b>24,458,196</b>  | 24,310,955 |

## 12. RECEIVABLE AGAINST MARGIN FINANCE

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 MF Blocked CDS A/C of the company. 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%.

|  |      | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i><br><i>Rupees</i> |
|--|------|---|---|
| <b>13. ADVANCES, DEPOSITS, AND OTHER RECEIVABLES</b> |      |   |   |
| <i>- Considered good</i>                             |      |   |   |
| <b>Advances</b>                                      |      |   |   |
|  |      | 5,564,745   | 5,008,781   |
|  |      | 1,625,975   | -   |
|  |      | <u>7,190,720</u>  | <u>5,008,781</u>  |
| <b>Deposits</b>                                      |      |   |   |
|  | 13.1 | <u>48,592,900</u>   | 39,057,565  |
|  | 13.2 | <u>17,949,998</u>   | 16,839,008  |
|  | 13.3 | <u>47,649,135</u>   | 23,711,613  |
|  |      | <u>114,192,033</u>  | 79,608,186  |
| <b>Other receivables</b>                             |      |   |   |
|  |      | <u>207,064</u>  | 543,901   |
|  |      | <u>2,766,508</u>  | 2,841,172   |
|  |      | <u>3,023,518</u>  | 4,310,743   |
|  |      | <u>38,875</u>   | 527,451   |
|  |      | <u>1,921,375</u>  | 1,890,893   |
|  |      | <u>7,957,341</u>  | 10,114,160  |
|  |      | <u>129,340,094</u>  | <u>94,731,127</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 the 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.

|   |      | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i> | <i>(Audited)</i><br><i>June, 30</i><br><i>2023</i> |
|---|------|--|--|
| <b>14. CASH AND BANK BALANCES</b>   |      |  |  |
|   |      | 2,664,470  | 1,873,019  |
| <b>Cash at banks</b>  |      |  |  |
|   |      | <u>1,016,621</u>   | 1,441,381  |
|   | 14.1 | <u>35,326,527</u>  | 51,489,827   |
|   | 14.2 | <u>36,343,148</u>  | 52,931,208   |
|   |      | <u>39,007,618</u>  | <u>54,804,227</u>                                  |
| <b>14.1</b>   |      |  |  |
| Saving accounts carries markup which ranges from <b>10%</b> to <b>19.51%</b> (2022 : 6.5% to 10.75%) per annum. |      |  |  |
| <b>14.2 Balance pertaining to :</b>   |      |  |  |
|   |      | 35,145,064   | 51,286,720   |
|   |      | 1,198,085  | 1,644,488  |
|   |      | <u>36,343,148</u>  | <u>52,931,208</u>                                  |

**15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

| <i>(Un-Audited)</i>  | <i>(Audited)</i>  |   | <i>(Un-Audited)</i>  | <i>(Audited)</i>   |
|----------------------|-------------------|---|----------------------|--------------------|
| <i>September, 30</i> | <i>June, 30</i>   |   | <i>September, 30</i> | <i>June, 30</i>    |
| <i>2023</i>          | <i>2023</i>       |   | <i>2023</i>          | <i>2023</i>        |
| <i>Rupees</i>        | <i>Rupees</i>     |   | <i>Rupees</i>        | <i>Rupees</i>      |
| <u>30,000,000</u>    | <u>30,000,000</u> | Ordinary shares of Rs.10<br>each fully paid in cash | <u>300,000,000</u>   | <u>300,000,000</u> |

**16 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 17.82%-24.67% and vehicles leases borrowings cost is 25.91%.

Set out below the carrying amount of lease liabilities and the movements during the year:

|                                  | <i>(Un-Audited)</i>  | <i>(Audited)</i>  |
|----------------------------------|----------------------|-------------------|
|                                  | <i>September, 30</i> | <i>June, 30</i>   |
|                                  | <i>2023</i>          | <i>2023</i>       |
| <i>Note</i>                      | <i>Rupees</i>        | <i>Rupees</i>     |
| Opening balances                 | 16,003,082           | 16,296,781        |
| Addition during the year         | -                    | 8,525,776         |
| Interest charged during the year | 852,532              | 2,824,208         |
| Paid during the year             | (2,973,176)          | (11,643,683)      |
| Terminated during the year       | (766,028)            | -                 |
|                                  | <u>(2,886,672)</u>   | <u>(293,699)</u>  |
| <b>Closing balances</b>          | <u>13,116,410</u>    | <u>16,003,082</u> |
| Current                          | 16.1 7,146,401       | 8,761,644         |
| Non - current                    | 16.1 5,970,010       | 7,241,438         |
|                                  | <u>13,116,411</u>    | <u>16,003,082</u> |

**16.1** Lease liabilities are payable as follows:

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Minimum lease payments</b>                    |                    |                    |
| Upto one year                                    | 9,456,137          | 11,615,898         |
| More than one year but less than five years      | 7,767,172          | 9,503,563          |
|  | <u>17,223,309</u>  | <u>21,119,461</u>  |
| <b>Financial charges</b>                         |                    |                    |
| Upto one year                                    | 2,309,736          | 2,854,254          |
| More than one year but less than five years      | 1,797,162          | 2,262,125          |
|  | <u>4,106,898</u>   | <u>5,116,379</u>   |
| <b>Present value of minimum lease payments</b>   |                    |                    |
| Upto one year                                    | 7,146,401          | 8,761,644          |
| More than one year but less than five years      | 5,970,010          | 7,241,438          |
|  | <u>13,116,411</u>  | <u>16,003,082</u>  |
| Current maturity shown under current liabilities | <u>(7,146,401)</u> | <u>(8,761,644)</u> |
|  | <u>5,970,010</u>   | <u>7,241,438</u>   |

|  | <i>Note</i> | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Un-Audited)</i><br><i>June, 30</i><br><i>2022</i><br><i>Rupees</i> |
|--|-------------|---|--|
| <b>17 TRADE AND OTHER PAYABLES</b>         |             |   |  |
| Trade creditors                            |             | 84,132,387  | 54,806,620   |
| Accrued liabilities                        |             | 15,847,970  | 13,320,936   |
| Accrued markup                             |             | 1,632,038   | 1,296,575  |
| Withholding tax payable                    |             | 3,006,677   | 10,300,094   |
| Sindh sales tax payables                   |             | 2,149,811   | 2,097,048  |
| Retain future profit of clients            |             | 3,453,315   | 3,621,630  |
| DFC withheld exposure demand from clients  |             | 17,125,760  | 15,205,170   |
| Withheld regular & MTS exposure and margin |             | 46,260,485  | 43,749,950   |
| Other liabilities                          |             | 2,561,603   | 5,995,244  |
|  |             | <u>176,170,046</u>  | <u>150,393,267</u>   |

## 18 SHORT TERM BORROWINGS

### *Secured - interest bearing - from banking companies*

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Running finance | <u>32,816,036</u> | <u>48,622,358</u> |
|-----------------|-------------------|-------------------|

**18.1** The company has obtained a running finance facility of Rs. 200 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 the Company, Director and Sponsors of company or 3rd party (excluding settlement accounts of customer) @ 10% maintained.

## 19 CONTINGENCY & COMMITMENTS

### 19.1 Contingency

The Company has obtained a stay order regarding an appeal filed with the Commissioner (Appeals-1) Inland Revenue, Lahore, in response to an order issued by the Deputy Commissioner of Inland Revenue Unit-IV, AEOI Zone, LTO Lahore, under Section 182 of the Income Tax Ordinance, 2001. This order pertains to the alleged failure to submit the Common Reporting Standard Report as required by Rule 78L of the Income Tax Rules for the reporting period ending on December 31, 2020. In this context, management is of the view that a favorable judgment will be reached, and no provisions have been made in our financials for the penalty of Rs. 710,000 demanded through the Notice of Demand under Section 137(2) of the Income Tax Ordinance, 2001.

### 19.2 Commitment

|                        |                    |             |
|------------------------|--------------------|-------------|
| For purchase of shares | <u>179,467,082</u> | 642,546,326 |
| For sale of shares     | <u>175,157,731</u> | 634,605,698 |

|  | <i>Note</i> | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2023</i><br><i>Rupees</i> | <i>(Un-Audited)</i><br><i>September, 30</i><br><i>2022</i><br><i>Rupees</i> |
|--|-------------|---|---|
| <b>20 OPERATING REVENUE</b>                                |             |   |   |
| Brokerage income from Pakistan Stock Exchange              |             | 28,550,860  | 27,524,701  |
| Brokerage income from Pakistan Mercantile Exchange Limited |             | 5,551,516   | 11,780,810  |
| Dividend Income  |             | 91,064  | -   |
| Cost Recoveries  |             | 3,895,030   | 2,941,578   |
|  |             | <u>38,088,470</u>   | <u>42,247,089</u>   |
|  |             | <u>8,945,609</u>  | <u>6,218,283</u>  |

**21 TRANSACTIONS WITH RELATED PARTIES**

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

**22 DATE OF AUTHORIZATION OF ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on **30th October, 2023**.

Sd/-  
\_\_\_\_\_  
*Chief Executive Officer*

Sd/-  
\_\_\_\_\_  
*Chief Financial Officer*

Sd/-  
\_\_\_\_\_  
*Director*