



TRUST SECURITIES & BROKERAGE LTD

HALF YEARLY REPORT
DECEMBER 31ST 2023



COMPANY INFORMATION

Board of Directors:

Ms. Zenobia Wasif	Chairperson/Director	(Non-Executive)
Mr. Abdul Basit	Chief Executive Officer/Director	(Executive)
Mr. Zulfiqar Ali Anjum	Director	(Executive)
WG CDR. Talat Mahmood (Retd.)	Director	(Non-Executive – Independent)
Mr. Khizer Hayat Farooq	Director	(Non-Executive – Independent)
Mr. Junaid Shehzad Ahmad	Director	(Non-Executive)
Sardar Abdul Majeed Khan	Director	(Non-Executive)

Chief Financial Officer

Muhammad Ahmed

Company Secretary

Syed Maqsood Ahmad

Audit Committee:

Mr. Talat Mahmood	Chairman
Mrs. 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

Management Committee (ML/TF)

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

Investment Committee

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

Risk Management Committee

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

I.T. Steering Committee

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

Auditors:

Reanda Haroon Zakaria & Company
Chartered Accountants

Internal Auditors:

Muhammad Adnan Siddiqui
Chartered Accountant

Legal Advisors:

HWP LAW

Share Registrar:

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

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

Website: www.tsbl.com.pk E-mail: info@tsbl.com.pk

DIRECTORS' REPORT

For the Half Year ended 31st December, 2023

DEAR SHAREHOLDERS,

The directors are pleased to present the Reviewed Financial Statements of the Company for half year ended 31st December, 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 quarter:

	December 31, 2023	December 31, 2022
Revenue	115,886,449	87,298,419
Operating Profit / (Loss)	60,172,874	(1,438,028)
Profit after Taxation	70,940,974	4,068,506

- **Revenue:**

The Company's revenue increased by 33.2% to Rs 115,886,449 for the six months ended December 31, 2023, compared to Rs 87,298,419 for the same period in 2022.

- **Operating Profit / (Loss):**

The Company's operating profit increased significantly to Rs 60,172,874 for the six months ended December 31, 2023, compared to a loss of Rs 1,438,028 for the same period in 2022. This is mainly due to the increase in revenue and a decrease in operating and administrative expenses.

- **Other income:**

Other income increased to Rs 24,043,439 for the six months ended December 31, 2023, compared to Rs 14,728,056 for the same period in 2022.

- **Other charges** decreased to Rs 5,198,681 for the six months ended December 31, 2023, compared to Rs 7,551,171 for the same period in 2022.

- **Profit after tax:**

The Company's profit after tax increased to Rs 70,940,974 for the six months ended December 31, 2023, compared to Rs 4,068,506 for the same period in 2022.

- **Earnings per share:**

The Company's earnings per share increased to 2.36 for the six months ended December 31, 2023, compared to 0.14 for the same period in 2022.

The company's future outlook is closely tied to achieving political and economic stability within the country. Positive developments in these areas would positively impact market volumes, company valuations, and encourage fresh equity participation in the markets.

TSBL remains proactive by working diligently to expand its online and retail client base. This strategy aims to increase investor participation and capitalize on market opportunities when they arise.

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), Pakistan Stock Exchange (PSX) and Pakistan Mercantile Exchange (PMEX) 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:
February 27, 2024



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRUST SECURITIES & BROKERAGE LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Trust Securities & Brokerage Limited** as at December 31, 2023, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'Condensed Interim Financial Statements'). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our reviews.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures included in the condensed interim statement of profit or loss for the quarters ended December 31, 2023 and 2022 and the notes thereto have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

The engagement partner on the engagement resulting in this independent auditor's review report is **Muhammad Farooq**.

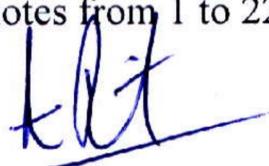

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: **28 FEB 2024**
UDIN: RR202310127ZFKDAlrhv

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
	<i>Note</i>		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	12,130,842	12,668,771
Right of use assets	6	11,168,137	16,907,400
Intangibles	7	5,325,934	5,463,434
Long term deposits	8	7,596,805	7,584,805
Deferred taxation	9	13,839,743	15,064,560
		50,061,461	57,688,970
Current Assets			
Short term investments	10	24,364,759	20,691,263
Trade debts	11	454,226,205	227,653,345
Receivable against margin finance	12	86,296,951	36,881,835
Advances, deposits and other receivables	13	260,930,560	94,731,127
Tax refunds due from government - net		269,911	1,746,059
Cash and bank balances	14	67,588,301	54,804,227
		893,676,687	436,507,856
Total Assets		943,738,148	494,196,826
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
75,000,000 (2023 : 75,000,000) Ordinary shares of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		300,000,000	300,000,000
Reserves			
Accumulated profit/(loss)		50,119,094	(20,821,880)
Shareholders' Equity		350,119,094	279,178,120
Non-Current Liabilities			
Lease liabilities	15	4,782,571	7,241,438
Current Liabilities			
Trade and other payables	16	510,599,004	149,096,691
Accrued markup		2,682,723	1,296,575
Short term borrowings	17	69,542,234	48,622,358
Current maturity of lease liabilities	15	6,012,522	8,761,644
		588,836,483	207,777,268
Commitments	18		
Total Equity and Liabilities		943,738,148	494,196,826

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



 Chief Executive Officer



 Chief Financial Officer



 Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Note	Half year ended		2nd quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees -----					
Operating revenue	19	115,886,449	87,298,419	77,797,979	44,750,395
Gain on sale of short term investments		60,446,772	19,586,052	30,137,136	9,320,794
Gain / (Loss) on remeasurement of investments at FVTPL		6,764,307	(5,065,575)	5,004,954	(4,139,802)
		183,097,528	101,818,896	112,940,069	49,931,387
Operating and administrative expenses		(117,080,112)	(99,937,106)	(70,421,681)	(54,353,874)
Finance cost		(5,844,542)	(3,319,818)	(3,353,801)	(1,561,569)
		(122,924,654)	(103,256,924)	(73,775,482)	(55,915,443)
Operating profit / (loss)		60,172,874	(1,438,028)	39,164,587	(5,984,056)
Other charges	20	(5,198,681)	(7,551,171)	(3,298,820)	-
Other income		24,043,439	14,728,056	15,097,830	8,810,708
Profit before taxation		79,017,632	5,738,857	50,963,597	2,826,652
Taxation		(8,076,658)	(1,670,351)	(3,801,624)	352,342
Profit after taxation		70,940,974	4,068,506	47,161,973	3,178,994
Earning per share - basic and diluted		2.36	0.14	1.57	0.11

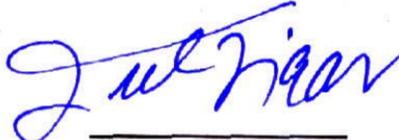
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 Chief Executive Officer



 Chief Financial Officer



 Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	<i>Share Capital</i>	<i>Revenue Reserves Accumulated (losses)/Profit</i>	<i>Total Shareholders Equity</i>
	----- Rupees -----		
Balance as at July 1, 2022	300,000,000	(10,527,892)	289,472,108
Total comprehensive income for the period			
Profit for the period	-	4,068,506	4,068,506
Other comprehensive loss for the period	-	(25,319)	(25,319)
	-	4,043,187	4,043,187
Balance as at December 31, 2022 (Un-Audited)	<u>300,000,000</u>	<u>(6,484,705)</u>	<u>293,515,295</u>
Balance as at July 1, 2023	300,000,000	(20,821,880)	279,178,120
Total comprehensive income for the period			
Profit for the period	-	70,940,974	70,940,974
Other comprehensive income for the period	-	-	-
	-	70,940,974	70,940,974
Balance as at December 31, 2023 (Un-Audited)	<u>300,000,000</u>	<u>50,119,094</u>	<u>350,119,094</u>

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



Chief Executive Officer



Chief Financial Officer



Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31, 2023</i>	<i>December 31, 2022</i>	<i>December 31, 2023</i>	<i>December 31, 2022</i>
	----- <i>Rupees</i> -----			
Profit for the period	70,940,974	4,068,506	47,161,973	3,178,994
Other comprehensive loss for the period	-	(25,319)	-	-
Total comprehensive income for the period	70,940,974	4,043,187	47,161,973	3,178,994

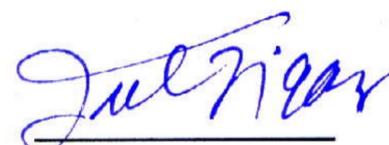
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 Chief Executive Officer



 Chief Financial Officer



 Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	<i>December 31,</i> 2023 <i>Rupees</i>	<i>December 31,</i> 2022 <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	79,017,632	5,738,857
Adjustment for non-cash charges and other items		
Depreciation	6,449,787	6,190,771
Amortization	137,500	137,500
Provision for expected credit losses	5,198,681	7,551,171
Other income	(21,892,047)	(11,545,097)
Finance cost	5,844,542	4,532,438
Dividend income	(482,664)	(406,000)
Reversal of provision for ECL	(1,619,626)	(3,182,959)
Gain on sale of Investment	(60,446,772)	(19,586,052)
Unrealised (gain) / loss on remeasurement of investment	(6,764,307)	5,065,575
	<u>(73,574,906)</u>	<u>(11,242,653)</u>
Operating profit before working capital changes	5,442,726	(5,503,796)
Changes in Working Capital:		
(Increase) / Decrease in current assets		
Trade debts	(230,151,915)	957,762
Receivable against margin finance	(49,415,116)	9,472,855
Advances, deposits and other receivables	(166,833,806)	(5,320,255)
	<u>(446,400,837)</u>	<u>5,110,362</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	361,502,310	(14,703,005)
Cash used in operations	<u>(79,455,801)</u>	<u>(15,096,439)</u>
Taxes paid	(5,375,693)	(2,466,262)
Finance cost paid	(2,941,925)	(3,533,243)
Long term deposits - net	(12,000)	2,754,710
Net cash used in operating activities	<u>(87,785,419)</u>	<u>(18,341,234)</u>
 B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(108,144)	(71,622)
Capital work in progress	(64,450)	-
Loss on sale of short term investment	-	(25,319)
Interest income received	22,526,420	11,771,320
Dividend income received	482,664	406,000
Investments - net	63,537,583	30,253,844
Net cash generated from in investing activities	<u>86,374,073</u>	<u>42,334,223</u>

	<i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>December 31,</i> <i>2022</i> <i>Rupees</i>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed / (Repayment) of short term borrowings	20,919,876	(22,171,894)
Repayment of liabilities against right of use asset	(6,724,456)	(9,234,743)
Net cash generated from / (used in) financing activities	<u>14,195,420</u>	<u>(31,406,637)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	12,784,074	(7,413,648)
Cash and cash equivalents at beginning of period	54,804,227	68,425,609
Cash and cash equivalents at end of period	14 <u>67,588,301</u>	<u>61,011,961</u>

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



 Chief Executive Officer



 Chief Financial Officer



 Director

TRUST SECURITIES AND BROKERAGE LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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 geographical location and address of company offices are as under:

- Head Office : Suite No. 401, 4th Floor, Business and Finance Center, I.I Chundrigar Road, Karachi.
- Branch Offices : Suite No. 202, 2nd Floor New Stock Exchange Building, I.I. Chundrigar Road, Karachi.
2nd Floor, Associated House, Building # 1 & 2, 7-Kashmir Road, Lahore.
Room No. 607, 6th Floor, LSE Plaza, 19-Khayaban-e-Aiwan-Iqbal, Lahore.
Office No. 725, 7th Floor, PSX New Building, Stock Exchange Road, Karachi.
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 and Finance Center, II Chundigarh Road, Karachi.

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

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023.

2 BASIS OF PREPARATION

2.1 Basis of Measurement

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Companies Act, 2017. The figures of the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended December 31, 2023 and December 31, 2022.

2.2 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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 ACCOUNTING ESTIMATES AND JUDGEMENTS

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>Note</i>	<i>(Un-Audited) December 31, 2023 Rupees</i>	<i>(Audited) June 30, 2023 Rupees</i>
5 PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	11,896,392	12,498,771
Capital work in progress	5.2	234,450	170,000
		<u>12,130,842</u>	<u>12,668,771</u>

5.1 Operating fixed assets

Opening written down value		12,498,771	13,332,427
Addition during the period	5.3	108,144	508,844
Transferred from capital work in progress		-	250,000
Depreciation charge for the period		(710,523)	(1,592,500)
		<u>11,896,392</u>	<u>12,498,771</u>

5.2 Capital work in progress

Opening balance		170,000	250,000
Addition during the period		64,450	170,000
Transferred to fixed assets		-	(250,000)
Closing balance		<u>234,450</u>	<u>170,000</u>

5.3 Details of additions of operating fixed assets during period/year are as follows:

	<i>(Un-Audited) December 31, 2023 Rupees</i>	<i>(Audited) June 30, 2023 Rupees</i>
Computers	-	156,622
Furniture and fittings	84,500	-
Vehicles	-	-
Office equipment	23,644	352,222
	<u>108,144</u>	<u>508,844</u>

6 RIGHT OF USE ASSETS

Opening balances	16,907,400	15,424,874
Additions	-	12,380,486
Derecognition	(570,216)	-
Depreciation expense	(5,169,047)	(10,897,960)
Closing balance	<u>11,168,137</u>	<u>16,907,400</u>

7 **INTANGIBLES**

	<i>Note</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
Trading Rights Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited (PSX)	7.1&7.2	1,280,000	1,280,000
Offices			
LSE Proptech	7.3	262,600	262,600
Pakistan Mercantile Exchange Limited (PMEX) membership			
Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
Software			
	7.4	1,283,334	1,420,834
		<u>5,325,934</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 Proptech 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 Proptech 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> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
7.4 Software		
Opening net book value	1,420,834	1,695,834
Amortization charge	(137,500)	(275,000)
Closing net book value	<u>1,283,334</u>	<u>1,420,834</u>
Cost	2,750,000	2,750,000
Accumulated amortization	(1,466,666)	(1,329,166)
Net book value	<u>1,283,334</u>	<u>1,420,834</u>
Amortization rate	<u>10%</u>	<u>10%</u>

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
8 LONG TERM DEPOSITS		
<i>- Unsecured - Considered good</i>		
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
Rentals deposits	527,500	515,500
Base minimum capital	4,969,305	4,969,305
	<u>7,596,805</u>	<u>7,584,805</u>

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	(4,348,836)	(5,942,651)
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Deductible temporary differences

Provision for expected credit losses (ECL)	8,088,103	7,050,177
Assessed tax losses	5,679,205	5,679,205
Lease liability	3,130,577	4,640,894
Minimum tax	110,419	1,872,194
Alternative Corporate Tax	5,318,735	4,641,752
Unabsorbed depreciation	571,438	571,438
Capital gain tax	969,307	2,230,756
	<u>23,867,784</u>	<u>26,686,416</u>
Unrecognised deferred tax assets	(5,679,205)	(5,679,205)
	<u>13,839,743</u>	<u>15,064,560</u>

10 SHORT TERM INVESTMENTS

At fair value through profit or loss

In shares of quoted company	24,340,759	20,667,263
In shares of unquoted company	24,000	24,000
	<u>24,364,759</u>	<u>20,691,263</u>

11 TRADE DEBTS

	Note	(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
Considered good		454,226,205	227,653,345
Considered doubtful		27,890,010	24,310,955
	11.1 & 11.2	<u>482,116,215</u>	<u>251,964,300</u>
Provision for doubtful debts	11.3.1	<u>(27,890,010)</u>	<u>(24,310,955)</u>
		<u>454,226,205</u>	<u>227,653,345</u>

11.1 The company holds capital securities having fair value of **Rs. 896.432 million** (June 2023 : Rs. 594.301 million) owned by its clients, as collaterals against trade debts.

11.2 This includes **Rs. 78.42 million** (2023 : Rs. 17.703 million) due from related parties and the maximum aggregate amount outstanding during the period **Rs. 90.274 million** (June 2023 : Rs. 116.101 million).

	Note	(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
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11.3 Aging analysis

The aging analysis of trade debts is as follows:

Up to fourteen days		411,871,420	178,630,211
More than fourteen days	11.3.1	70,244,795	73,334,268
		<u>482,116,215</u>	<u>251,964,479</u>

11.3.1 Adequate provision of **Rs. 27.890 million** (June 2023 : Rs. 24.311 million) has been provided in respect of amount due from customers.

		(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
11.4 Provision for expected credit losses (ECL)			
Balance as on July 01		24,310,955	15,664,801
Provision made during the period / year		5,198,681	9,253,891
		<u>29,509,636</u>	<u>24,918,692</u>
Reversal of excess provision		<u>(1,619,626)</u>	<u>(607,737)</u>
		<u>27,890,010</u>	<u>24,310,955</u>

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 up to the rate of 1 month KIBOR (prevailing at the close of immediately preceding working day) + 8%.

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
13 ADVANCES, DEPOSITS AND OTHER RECEIVABLES <i>- Considered good</i>			
Advances			
Advance to staff		5,647,338	5,008,781
Advance for office maintenance		735,515	-
		<u>6,382,853</u>	<u>5,008,781</u>
Deposits			
Deposit against exposure	13.1	134,973,350	39,057,565
Deposits against margin trading system	13.2	58,993,822	16,839,008
Deposit against PMEX margin	13.3	40,461,252	23,711,613
		<u>234,428,424</u>	<u>79,608,186</u>
Other receivables			
Other receivables		1,220,811	543,901
PMEX Clearing House		5,731,484	2,841,172
Markup receivable against leverage products		3,105,995	4,310,743
Markup receivable against Saving Account		1,097,826	527,451
Retained profit future contract from NCCPL		8,963,167	1,890,893
		<u>20,119,283</u>	<u>10,114,160</u>
		<u>260,930,560</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>Note</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
14. CASH AND BANK BALANCES			
Cash in hand		3,480,336	1,873,019
Cash at banks			
In current accounts		514,897	1,441,381
In saving account	14.1	63,593,068	51,489,827
	14.2	64,107,965	52,931,208
		67,588,301	54,804,227

14.1 Saving account carries markup which ranges from **10.00% to 20.50%** (June 2023 : 10% to 19.51%) per annum.

	<i>Note</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
14.2 Balance pertaining to :			
Clients		63,503,606	51,286,720
Brokerage house		604,359	1,644,488
		64,107,965	52,931,208

15 LEASE LIABILITIES

Opening balances		16,003,082	16,296,781
Additions		-	8,525,776
Interest expense		1,516,469	2,824,208
Termination of lease		(783,981)	-
Payments		(5,940,474)	(11,643,683)
		(5,207,986)	(293,699)
Closing balances		10,795,096	16,003,082
Current		6,012,522	8,761,644
Non - current		4,782,571	7,241,438
		10,795,093	16,003,082

Rate of return on lease liabilities ranges from **10.01% to 25.64%** (June 23 : 10.01% to 25.67%).

	<i>Note</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
16 TRADE AND OTHER PAYABLES			
Trade creditors		149,144,105	54,806,620
Accrued liabilities		31,976,371	13,320,936
Withholding tax payable		8,146,265	10,300,094
Sindh sales tax payables		5,614,802	2,097,048
Retain future profit of clients		16,792,865	3,621,630
DFC withheld exposure demand from clients		19,234,476	15,205,170
Withheld Regular & MTS exposure and margin		271,475,441	43,749,950
Other liabilities		8,214,679	5,995,244
		<u>510,599,004</u>	<u>149,096,691</u>

17 SHORT TERM BORROWINGS

Secured - interest bearing - from banking companies

Running finance	17.1 / 17.2	<u>69,542,234</u>	<u>48,622,358</u>
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17.1 This represents running finance facility of Rs. 200 million from a commercial bank to finance daily clearing obligation of PSX and settlement of client trade. The facility carries markup of 3 months 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.

17.2 Fair value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	<i>(Un-Audited)</i>		<i>(Audited)</i>	
	<i>December 31, 2023</i>		<i>June 30, 2023</i>	
	<i>Number of Securities</i>	<i>Amount</i>	<i>Number of Securities</i>	<i>Amount</i>
	----- Rupees -----			
Client	9,402,237	113,706,658	2,090,215	32,647,523
House	1,535,600	15,494,204	640,600	7,888,850
Total	<u>10,937,837</u>	<u>129,200,862</u>	<u>2,730,815</u>	<u>40,536,373</u>

18 COMMITMENTS

Commitments against unrecorded transactions executed before the year end having settlement date subsequent to year end: -

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2023</i> <i>Rupees</i>
For purchase of shares	<u>879,702,406</u>	<u>642,546,326</u>
For sale of shares	<u>890,072,433</u>	<u>634,605,698</u>

<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
<i>December 31,</i> <i>2023</i>	<i>December 31,</i> <i>2022</i>	<i>December 31,</i> <i>2023</i>	<i>December 31,</i> <i>2022</i>
----- Rupees -----			

19 OPERATING REVENUE

Brokerage income from PSX	94,735,549	60,065,623	66,184,689	32,540,922
Brokerage income from PMEX	11,031,898	20,564,636	5,480,382	8,783,826
Transaction charges from clients	9,636,338	6,262,160	5,741,308	3,019,647
Dividend income	482,664	406,000	391,600	406,000
	<u>115,886,449</u>	<u>87,298,419</u>	<u>77,797,979</u>	<u>44,750,395</u>

20 OTHER CHARGES

Provision for expected credit losses (ECL)	<u>(5,198,681)</u>	<u>(7,551,171)</u>	<u>(3,298,820)</u>	<u>-</u>
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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.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial statement, are as under:

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>December 31,</i> <i>2022</i> <i>Rupees</i>
Chief Executive Officer	Abdul Basit	Trade payable	174,711	24,837
		Commission paid	183,691	40,902
		The maximum aggregate amount outstanding during the period was Rs 287,256		
		Brokerage commission earned	50,972	26,907

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>(Un-Audited) December 31, 2023 Rupees</i>	<i>(Un-Audited) December 31, 2022 Rupees</i>
Shareholder	Paramount Commodities (Private) Limited	Trade receivable	11,543,947	2,709,897
		The maximum aggregate amount outstanding during the period was Rs 11,543,947		
Shareholder	MG Media (Private) Limited	Brokerage commission earned	505,935	204,182
		Trade receivables	234,173	1
Shareholder	Foresight Investment Pakistan (Pvt) (Ltd)	The maximum aggregate amount outstanding during the period was Rs 234,173		
		Brokerage commission earned	-	139,792
Shareholder	Mr. Khurram Faraz	Trade receivables	6,929	6,251
		The maximum aggregate amount outstanding during the period was Rs 6,929		
Director	Zenobia Wasif	Trade receivables	9,509,648	
		The maximum aggregate amount outstanding during the period was Rs. 9,509,648		
Director	Mr. Junaid Shehzad Ahmed	Brokerage commission earned	180,113	1,636
		Trade receivables	928	250
Director	Mr. Khizer Hayat	The maximum aggregate amount outstanding during the period was Rs. 928		
		Brokerage commission earned	-	-
Director	Mr. Sardar A. Majeed	Trade payable	217,134	880
		The maximum aggregate amount outstanding during the period was Rs 218,990		
Director	Mr. Zulfiqar Ali Anjum	Trade receivables	31,152,527	80,199
		The maximum aggregate amount outstanding during the period was Rs 31,152,527		
Director	Mr. Talat Mehmood	Brokerage commission earned	224,080	20,000
		Trade Receivable	1,123,629	732,984
Shareholder	Muhammad Shayan Ghayas	The maximum aggregate amount outstanding during the period was Rs 15,464,326		
		Brokerage commission earned	248,617	413,746
Director	Mr. Zulfiqar Ali Anjum	Trade receivables	4,514,106	217,768
		The maximum aggregate amount outstanding during the period was Rs 4,514,106		
Director	Mr. Talat Mehmood	Brokerage commission earned	572,050	465,572
		Brokerage commission paid	2,811,790	1,705,313
Director	Mr. Talat Mehmood	Trade receiveable	7,292,408	7,493,106
		The maximum aggregate amount outstanding during the period was Rs 8,106,643		
Shareholder	Muhammad Shayan Ghayas	Brokerage commission earned	381,170	218,970
		Trade receivables	13,042,573	10,254,388
Shareholder	Muhammad Shayan Ghayas	The maximum aggregate amount outstanding during the period was Rs 13,042,573		
		Brokerage commission earned	4,559,077	140,190

22 **DATE OF AUTHORIZATION OF ISSUE**

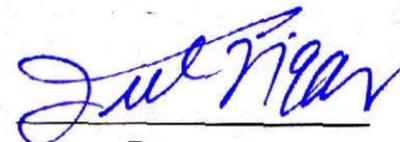
These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2024.



Chief Executive Officer



Chief Financial Officer



Director