Our Commitment to Growth

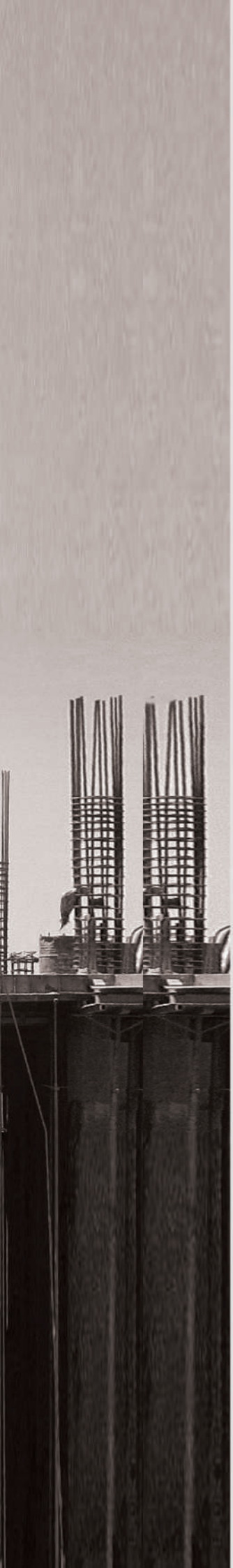
for the Quarter Ended September 30th 2021

TRUST SECURITIES
& BROKERAGE LTD

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.

Our Commitment to Build



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 5 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.

Our Commitment to Develop

Contents

Vision / Mission / Core Values	07
Code of Conduct	09
Corporate Social Responsibility	09
Company Information	11
Directors' Report	12
Condensed Interim Statement of Financial Position	15
Condensed Interim Statement of Profit or Loss	16
Condensed Interim Statement of Comprehensive Income	17
Condensed Interim Statement of Changes in Equity	18
Condensed Interim Statement of Cash Flows	19
Notes to the Condensed Interim Financial Statement	20

Our Commitment to Diversify

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 profitsfor our shareholders and crafting a workplace which attracts the besttalent 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 coustomers 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 pysical environment.

Leadership

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

Our Commitment to Prosper

Code of Conduct

Trsut 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 Reponsibility

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 responsibilityphilanthropic responsibility and economic responsibility .

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

Company Information

Board of Directors:

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

Chief Financial Officer
Muhammad Ahmed

Company Secretary
Syed Maqsood Ahmad

Audit Committee:

WG CDR Talat Mahmood (Retd)	Chairman
Mrs. Zenobia Wasif	Member
Mr. Junaid Shehzad Ahmed	Member

H.R & Remuneration Committee:

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

Auditors:
Reanda Haroon Zakaria & Company
Chartered Accountants

Internal Auditors:
Muhammad Adnan Siddiqui
Chartered Accountant

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	Bank AL Habib Limited
J.S. Bank Limited	Bank Islami Limited
Habib Metropolitan Bank Limited	Bank Al Baraka
Meezan Bank Limited	
MCB Bank Limited	

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
Centre 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

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 2021 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' 2021	**September 30' 2020**
Revenue	63,018,676	71,718,520
Operating Profit/(Loss)	(9,146,564)	20,715,036
Profit Before Taxation	2,108,976	31,763,444
Profit After Taxation	275,369	26,442,183

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

The company earned a net profit of Rs. 275,369 for the first quarter ended 2021 against a net profit of Rs. 26,442,183 in the previous corresponding period i.e. September 30' 2020.

The earning per share (EPS) for the first quarter ended September 30, 2021 is 0.01 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 pandemic Coronavirus (Covid -19) 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 28, 2021

Financials

Statement of Financial Position

AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
		---------- Rupees ----------	
ASSETS			
Non-Current Assets			
Property and equipment	5	13,986,528	12,749,879
Right of use Asset	6	17,528,821	17,121,108
Intangibles	7	5,944,684	6,013,434
Long term investments	8	12,684,944	12,684,944
Long term deposits	9	8,749,505	3,480,200
Deffered Taxation	10	9,501,253	9,534,563
		68,395,735	61,584,128
Current Assets			
Short term investments	11	25,481,797	20,595,180
Trade debts	12	137,780,954	74,892,752
Investment in Margin Financing System	13	68,210,153	78,091,508
Investment in Margin Trading System	14	5,928,363	-
Advances, prepayments and other receivables	15	209,596,934	279,028,184
Cash and bank balances	16	81,908,078	99,296,325
		528,906,279	551,903,949
Total Assets		597,302,014	**613,488,077**
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	17	300,000,000	300,000,000
Reserves			
Accumulated Profit		3,398,838	3,123,469
Shareholders' Equity		303,398,838	303,123,469
Non-Current Liabilities			
Lease Liabilities	6	10,814,433	11,040,435
Current Liabilities			
Current maturity of lease liabilities	6	7,137,088	6,318,650
Short term borrowings	18	45,543,072	37,110,437
Provision for taxation	19	11,268,930	11,537,330
Trade and other payables	20	219,139,654	244,357,756
		283,088,743	299,324,173
Commitments	21		
Total Equity and Liabilities		597,302,014	**613,488,077**

The annexed notes from 1-29 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, 2021

	Note	(Un-audited) First quarter ended September 30, 2021	(Un-audited) First quarter ended September 30, 2020
		---------- Rupees ----------	
Operating revenue	22	63,018,676	71,718,520
Gain / (Loss) on sale of securities		(1,117,024)	3,903,513
Gain / (Loss) on re-measurement of investments		(6,838,632)	34,948
		55,063,020	75,656,981
Operating and administrative expenses	23	(62,474,734)	(54,225,289)
Finance cost	24	(1,734,850)	(716,656)
		(64,209,584)	(54,941,945)
Operating Profit / (loss)		(9,146,564)	20,715,036
Other Charges	25	(717,562)	-
Other income	26	11,973,101	11,048,408
Profit before taxation		2,108,976	31,763,444
Taxation		(1,833,607)	(5,321,261)
Profit after taxation		275,369	26,442,183
Profit per share - basic and diluted		0.01	0.88

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

Chief Executive **Director** **Chief Financial Officer**

Statement of Comprehensive Income

For the Period Ended September 30, 2021

	(Un-audited) First quarter ended September 30, 2021	(Un-audited) First quarter ended September 30, 2020
	---------- Rupees ----------	
Profit for the first quarter	275,369	26,442,183
Other comprehensive income :		
Total comprehensive Profit for the first quarter	275,369	26,442,183

The annexed notes from 1-29 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, 2021

	Share Capital	Revenue Reserves			Shareholders' Equity
		Remeasurement gain of investments fair value through	Accumulated Losses	Sub Total	
		Rupees			
Balance as at June 2020.	300,000,000	-	(94,869,084)	(94,869,084)	205,130,916
Total comprehensive profit / (loss) for the first quarter					
Profit for the first quarter ended September 30, 2020	-	-	26,442,183	26,442,183	26,442,183
Other Comprehensive Income					
Total comprehensive Profit for the first quarter ended September 30, 2020	-	-	26,442,183	26,442,183	26,442,183
Balance as at Setpember 30, 2020	300,000,000		(68,426,901)	(68,426,901)	231,573,099
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					
Gain / (loss) arises due to remeasurement of investments	**-**	**-**	**-**	**-**	**-**
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**

Chief Executive **Director** **Chief Financial Officer**

Statement of Cash Flows

For the Period Ended September 30, 2021

	Note	(Un-audited) First quarter ended September 30, 2021	(Un-audited) First quarter ended September 30, 2020
		---------- Rupees ----------	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,108,976	31,763,444
Adjustment for non-cash charges and other items			
Depreciation & Amortization		2,290,998	1,197,858
Finance cost		1,734,850	716,656
Reversal of provision for doubtful debts		-	589,995
Interst Income on Saving Account		(63,786)	(389,482)
Interst Income on Exposure deposit		(2,318,931)	(331,319)
Interst Income on Leverage market products		(3,233,196)	(3,815,533)
Loss on sale of investments		1,117,024	(3,903,513)
Unrealised (Gain) / Loss on remeasurement of investments		6,838,632	(34,948)
		6,365,592	(5,970,287)
Operating Gain / (loss) before working capital changes		8,474,568	25,793,157
Changes in Working Capital :			
(Increase) / decrease in current assets			
Trade debts		(62,888,202)	(4,878,697)
Advances, prepayments and other receivables		70,872,872	(104,507,490)
Investment in Margin Financing		9,881,355	(23,210,931)
Investment in Margin Trading		(5,928,363)	(3,048,030)
Tax Due from Government		-	4,672,365
		11,937,663	(130,972,783)
Increase / (decrease) in current liabilities			
Trade and other payables		(25,218,102)	126,440,393
Tax Payable to Government		-	41,141
		(25,218,102)	126,481,534
Cash (used in) / generated from operations after working capital changes		(4,805,872)	21,301,908
Taxes paid		(2,068,697)	(607,755)
Finance cost paid		(1,304,068)	(558,062)
Long term deposits - net		(5,269,305)	-
		(8,642,070)	(1,165,817)
Net cash (used in) / generated from operating activities		(13,447,942)	20,136,091
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal / (addition) to capital work in progress		-	(100,000)
Purchase of fixed assets		(1,635,843)	(291,679)
Investments-net		(12,842,273)	9,038,335
Profit received on saving account		58,805	205,703
Profit received on exposure deposit		2,318,931	42,854
Profit on leverage market products		1,796,554	3,027,413
Net cash (used in) / generated from investing activities		(10,303,827)	11,922,626
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		8,432,635	(1,068,982)
Repayment of lease obligation		(2,069,113)	-
Net cash generated / (used in) financing activities		6,363,522	(1,068,982)
Net (decrease) / increase in cash and cash equivalents (A+B)		(17,388,247)	30,989,735
Cash and cash equivalents at the beginning of the period		99,296,325	37,248,528
Cash and cash equivalents at the end of the period	16	81,908,078	68,238,263

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

Chief Executive | **Director** | **Chief Financial Officer**

Notes to the Financial Statements

For the Period Ended September 30, 2021

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 equity and debt securities on its own account through ready, spot and forward counters of the stock exchange.

2 *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.

  PMEX Branch Office- BFC Building, Karachi Room No. 510, 5th Floor, Business & Finance Centre I.I. Chundrigar Road, Karachi.

1.1 IMPACT OF COVID-19 ON THE FINANCIALS STATEMENTS

In light of ongoing COVID - 19 pandemic, the Company has reviewed its exposure to business risks and has not identified any risks that could materially impact the financial performance or position of the Company. Consequently, there was no significant impact of COVID-19 pandemic on the Company's operations and financial results. In future also, the Company does not foresee any significant adverse impact on its operations and financial results.

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, 2021.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2021 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, 2021.

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, 2021.

	Note	(Un-audited) First quarter ended September 30, 2021	Audited Year ended June 30, 2021
		---------- Rupees ----------	
5 PROPERTY AND EQUIPMENTS			
Property and equipment	5.1	13,986,528	12,749,879
Capital work-in-progress			
		13,986,528	**12,749,879**
5.1) Property and equipment			
Opening written down value		12,749,879	12,989,347
Total additions during the period		1,635,843	1,434,660
Transferred from CWIP		-	-
Total disposals during the period		-	-
Depreciation charge for the period		(399,194)	(1,674,128)
Depreciation charged on disposal		-	-
Closing written down value		**13,986,528**	**12,749,879**
6 RIGHT OF USE ASSETS / LEASE			
6.1 Right-of-use assets			
Opening Right of use Assets		17,121,108	3,337,495
Additions		2,230,767	19,294,350
Depreciation Expenses		(1,823,054)	(5,510,737)
		407,713	13,783,613
		(1,823,054.00)	
Closing Right of use Assets		**17,528,821**	**17,121,108**

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%-10.01% and vehicles leases borrowings cost from 10.30%-10.45%.

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

Opening lease liability	17,359,085	3,520,273
Additions	2,230,767	**19,294,350**
Interest Expense	430,782	817,051
Payments	(2,069,113)	(6,272,589)
	592,436	13,838,812
Closing lease liability	17,951,521	17,359,085
Current portion of Lease liability'	7,137,088	6,318,650
Non - Current portion of lease liability	10,814,433	11,040,435
	17,951,521	**17,359,085**

7 INTANGIBLES			
Trading Rights Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited	7.1 & 7.2	1,280,000	1,280,000
Offices			
LSE Financial Services Limited (LFSL)	7.3	262,600	262,600
Pakistan Mercantile Exchange Limited.		2,500,000	2,500,000
Software	7.4	1,902,084	1,970,834
		5,944,684	**6,013,434**

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) First quarter ended September 30, 2021	Audited Year ended June 30, 2021
7.4) Software	---------- Rupees ----------	
Opening net Book Value	1,970,834	2,245,834
Additions	-	
Amortization	(68,750)	(275,000)
Closing net book value	**1,902,084**	**1,970,834**
Amortization Rate	**10%**	**10%**

8 LONG TERM INVESTMENTS

September 30, 2021	June 30, 2021	Name of Securities	Note	(Un-audited) First quarter ended September 30, 2021	Audited Year ended June 30, 2021
Number of Shares				---------- Rupees ----------	
		In shares of Un-quoted company - At cost			
843,975	843,975	LSE Financial Services Limited	8.1 & 8.2	12,684,944	12,684,944
		Available for sale - In shares of quoted companies			
5,000	5,000	Sunshine Cotton Mills Limited		1,650	1,650
		Provision for impairment		(1,650)	(1,650)
				-	-
				12,684,944	**12,684,944**

8.1) This represents unquoted shares of LSE Financial Services Limited received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

Out of total number of shares owned, 60% shares (i.e. 506,385 shares) of the said entity are held in separate CDC blocked account, to restrict the sale of these shares by the members. Where as 40% of total shares i.e. 337,590 for Rs.10 each have been credited to the Company's CDC house account and are pledged in favour of Pakistan Stock Exchange Limited.

8.2) The Company carried out the valuation of the aforementioned investments. In this connection, the valuation technique used by the Company was Discounted Free Cash Flow to Equity model for business valuation.Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. Principal assumptions used in the valuation of above unquoted investments are as under:

2021					
Name of investee company	*Principal Valuation Assumptions*			*Value per share (Rs.)*	*Valuation technique used*
	Long term growth rate	*Cost of equity*	*Projection period*		
LSE Financial services Limited	3.00%	8.52%	5 Years	15.03	Discounted Cash Flow Method

9 LONG TERM DEPOSITS

	(Un-Audited) First quarter ended September 30, 2021	Audited Year ended June 30, 2021
Unsecured - Considered good	---------- Rupees ----------	
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	-
Rental Deposits	550,500	250,500
Lease Deposits	1,229,700	1,229,700
	8,749,505	**3,480,200**

		(Un-Audited) First quarter ended September 30, 2021	Audited Year ended June 30, 2021
		---------- Rupees ----------	
10 DEFERRED TAXATION			
Deferred tax asset is net off of taxable / (deductible) temporary differences in respect of the followings:-			
Taxable temporary differences			
Accelerated tax depreciation		6,036,926	(5,909,238)
Unrealized loss on investments		(850,505)	(442,725)
		5,186,421	(6,351,963)
Deductible temporary differences			
Provision for doubtful debts		(2,644,731)	2,644,731
Assessed tax losses		-	1,370,658
Lease liability		(5,205,941)	5,034,135
Minimum tax		(2,195,250)	2,195,250
Alternative Corporate Tax		(4,641,752)	4,641,752
		(14,687,674)	15,886,526
		(9,501,253)	**9,534,563**
			-
11 SHORT TERM INVESTMENTS			
At fair value through profit or loss - Initially designated			
In shares of quoted company		25,451,797	20,565,180
In shares of unquoted company	11.1 & 11.2	30,000	30,000
		25,481,797	20,595,180
11.1 Unquoted company			
Carrying amount		60,000	60,000
Accumulated imparment		(30,000)	(30,000)
		30,000	30,000

11.2 This represents investment in fully paid ordinary shares of Takaful Pakistan Limited. The break-up value is Rs. 5.87 per share based on un audited financial statements for the period ended March 31, 2021.

12 TRADE DEBTS			
Considered good		137,780,954	74,892,752
Considered doubtful		9,837,323	9,119,762
	12.2	147,618,277	84,012,514
Provision for doubtful debts	12.1	(9,837,323)	(9,119,762)
		137,780,954	**74,892,752**
12.1) Provision for doubtful debts			
Balance at beginning of the period		9,119,762	11,510,903
Provision made during the period		717,561	651,051
		9,837,323	12,161,954
Reversal of excess provision against Trade Debt		-	(2,037,981)
Reversal of excess provision			(1,004,211)
		9,837,323	**9,119,762**
12.2) Aging analysis			
The aging analysis of trade debts is as follows:			
Upto fourteen days		116,409,730	68,397,522
More than fourteen days		31,208,547	15,614,992
		147,618,277	**84,012,514**

13 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 Financing Participation Ratio (FPR) of maximum 78% and charging markup ranging between the rate of 10% to 21.85% fixed rate.

14 INVESTMENT IN MARGIN TRADING SYSTEM - NET

This amount represents Financee Participation Ratio (FPR) in Margin Trading System (MTS) as at 30 September, 2021.

	Note	(Un-audited) First quarter ended September 30, 2021	(Audited) Year ended June 30, 2021
15 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		---------- Rupees ----------	
- Considered good			
Advances			
Advances to staff		3,341,267	3,340,055
Advance for office maintainance		1,957,225	252,890
		5,298,492	3,592,945
Deposits			
Deposit against exposure margin	15.1	77,172,119	134,348,212
Deposit against margin trading system	15.1	116,291,981	132,806,264
		193,464,100	267,154,476
Prepayments			
Short term prepayments		516,000	588,000
Other receivables			
Other receivables		693,176	1,768,935
PMEX Clearing house		2,871,780	1,371,714
Markup receivable against Leverage Product		4,567,471	3,130,829
Markup receivable against Saving account		11,401	6,420
Capital gain tax receivable		-	-
Retained Profit future Contract from NCCPL		2,174,515	1,414,865
		209,596,934	**279,028,184**

15.1) This represents deposits with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter & exposure margin against trade and sustained losses to date on Margin Trading Services.

16 CASH AND BANK BALANCES

Cash in Hand		931,021	473,187
Cash at banks			
In Current account		73,297,043	80,141,278
In saving account		7,680,014	18,681,860
	16.1	80,977,057	98,823,138
		81,908,078	**99,296,325**
16.1) Balance pertaining to			
- clients		79,174,352	97,758,000
- brokerage house		1,802,705	1,065,138
		80,977,057	**98,823,138**

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of Shares					
September 30, 2021	June 30, 2021				
30,000,000	**30,000,000**	Ordinary shares of Rs.10 each fully paid in cash	17.1	**300,000,000**	**300,000,000**

17.1) Pattern of shareholdings

	As at September 30, 2021		As at June 30, 2021	
	Number of shares held	% of shares held	Number of	% of shares held
Categorises of				
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%
- Paramount Commodities (Private) Limited	**1,756,145**	**5.85%**	1,975,645	6.59%
- MG Media	**2,606,500**	**8.69%**	2,444,500	8.15%
- Mr. Muhammad Khurram Faraz	**4,891,000**	**16.30%**	4,891,000	16.30%
- Other Institution not more than 5% holding	**1,273,601**	**4.25%**	1,188,601	3.96%
- Other Individuals not more than 5% holding	**8,627,754**	**28.76%**	8,655,254	28.85%
	30,000,000	**100.00%**	30,000,000	100.00%

	(Un-audited) First quarter ended September 30, 2021	(Audited) Year ended June 30, 2021
18 SHORT TERM BORROWINGS	---------- Rupees ----------	
Secured - interest bearing - from banking companies		
Running finance	45,543,072	37,110,437

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 1 month kibor + 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, 2021 are as follows: -

	Sanctioned limit		*Unavailed facility*	
	As of September 30, 2021	As of June 30, 2021	**As of September 30, 2021**	As of June 30, 2021
	240,000,000	240,000,000	194,456,928	202,889,563

	(Un-audited) First quarter ended September 30, 2021	(Audited) Year ended June 30, 2021
19 *PROVISION FOR TAXATION*	---------- Rupees ----------	
Opening tax Payable / (refundable)	11,537,330	(4,672,365)
Tax refund during the period	-	376,190
Tax paid during the period	(2,068,697)	(2,989,597)
	9,468,633	(7,285,772)
	1,800,297	18,823,102
Provision for the period	11,268,930	11,537,330

	(Un-audited) First quarter ended September 30, 2021	(Audited) Year ended June 30, 2021
20 TRADE AND OTHER PAYABLES	---------- Rupees ----------	
Trade creditors	163,474,229	153,066,515
Accrued Liabilities	14,729,448	14,617,594
Accrued Mark up	1,292,590	1,773,728
Withholding Tax payable	4,089,974	5,863,943
Capital Gain Tax Payable	-	28,797,875
Sindh Sales tax Payable	4,157,565	6,198,334
Employees compensated absences	1,636,473	1,636,473
Retain future profit of clients	20,865,123	1,337,560
DFC withheld exposures	-	26,220,344
Other liabilities	8,894,252	4,845,390
	219,139,654	**244,357,756**

21 COMMITMENTS

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

For purchase of shares	**459,034,627**	**748,945,199**
For sale of shares	**432,077,168**	**709,607,252**

	(Un-audited) First quarter ended September 30, 2021	(Audited) First quarter ended September 30, 2020
22 OPERATING REVENUE	---------- Rupees ----------	
Brokerage income from Pakistan Stock Exchange	**59,744,281**	69,633,723
Brokerage income from Pakistan Mercantile Exchange Limited	**3,274,395**	2,084,797
Dividend income	-	-
	63,018,676	71,718,520

23 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances	**16,769,331**	12,479,626
Director's remuneration	**369,740**	-
Commission	**33,204,941**	32,101,095
Clearing house charges	**4,041,171**	3,608,897
Communication expenses	**527,818**	468,872
Printing and stationery	**218,290**	359,025
Entertainment expense	**787,636**	476,018
Traveling & Lodging expense	**250,509**	255,086
Repair and maintenance	**367,071**	718,647
Electricity and utilities	**769,990**	486,991
Insurance	**22,832**	-
Depreciation	**399,194**	468,931
Amortization	**68,750**	-
Amortization on right of use assets	**1,823,054**	728,927
Internet and software maintenance charges	**720,892**	543,435
Charity & Donation	**60,500**	-
Legal and professional charges	**107,000**	127,995
Fees and subscriptions	**1,103,167**	775,213
Rent, rates and taxes	**257,534**	113,435
Miscellaneous expense	**605,314**	513,096
	62,474,734	54,225,289

	(Un-audited)	(Audited)
	First quarter ended September 30, 2021	First quarter ended September 30, 2020
24 FINANCE COST	---------- Rupees ----------	
Bank charges	11,478	48,902
Interest expense on lease liability	430,782	158,594
Markup on overdraft	1,292,590	509,160
	1,734,850	716,656
25 OTHER CHARGES		
Provision for doubtful debts	**717,562**	-
26 OTHER INCOME - Net		
Income from financial assets		
- Interest on saving account	63,786	389,482
- Interest income on exposure deposited	2,318,931	1,019,983
- Interest income on Margin Financing	3,233,196	3,126,869
- Reversal of provision for doubtful debts	-	589,995
	5,615,912	**5,126,329**
Income from other than financial assets		
- Gain / (loss) on sale of fixed assets	-	-
- Other	6,357,189	5,922,079
	11,973,101	**11,048,408**

27 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.

28 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on **October 28, 2021.**

29 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive | **Director** | **Chief Financial Officer**