



# TRUST SECURITIES & BROKERAGE LTD

**FOR THE QUARTER ENDED**  
MARCH 31ST 2023







# Our Commitment to Growth

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









# Overview

Trust Securities and Brokerage Limited (TSBL) is a leading brokerage house listed on the Pakistan Stock Exchange with its headquarters in Karachi. We trace our history back to 1993 providing a full array of brokerage services to our clientele. We have our presence in Lahore and Karachi with a total of 7 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.









# C O N T E N T S



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# Vision

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

# Mission

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

# Core Values

## ***Integrity***

Serve our customers with uncompromising honesty and transparency.

## ***Excellence***

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

## ***Social Responsibility***

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

## ***Leadership***

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







The background features a large, light gray cross-like shape. In the top right corner, there is a green square containing a white arrow pointing diagonally up and to the right. The text is overlaid on these elements.

# Code of Conduct

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

## Corporate Social Responsibility

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

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

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

# ***COMPANY INFORMATION***





**Board of Directors:**

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

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

**Chief Financial Officer**

Muhammad Ahmed

**Company Secretary**

Syed Maqsood Ahmad

**Audit Committee:**

Mr. Talat Mahmood	Chairman
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

**Auditors:**

Reanda Haroon Zakaria & Company  
 Chartered Accountants

**Internal Auditors:**

Muhammad Adnan Siddiqui  
 Chartered Accountant

**Management & Credit Rating**

Pakistan Credit Rating Agency (PACRA)

**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 Advisors:**

Haider Waheed Partners

**Bankers:**

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

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

**Registered Office:**

Suite No. 401, 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

**PSX 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

**PSX 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

**PSX Branch Office – BFC Building, Karachi**

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

**PSX 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

**PMEX Branch Office – BFC Building, Karachi**

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

**PMEX Branch Office – LSE Plaza, Lahore**

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



# Credit and Management Rating

Management Rating  
BMR2+  
With Stable Outlook

Entity Rating  
A- & A2  
Long Term & Short Term

Fiduciary Rating  
BFR 2  
With Stable Outlook





# Directors' Report



## DEAR SHAREHOLDERS,

The directors are pleased to present the Un-Audited Financial Statements of the Company for nine-months ended 31<sup>st</sup> March 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:

	March 31' 2023	March 31' 2022
Revenue	121,300,258	171,444,612
Operating Profit / (Loss)	9,595,690	(23,837,236)
Profit / (Loss) Before Taxation	22,480,456	(6,784,766)
Profit / (Loss) After Taxation	22,214,843	(13,784,583)

We are pleased to announce the company's financial results for 9 months ended which has seen a decline in revenue whereas achieving a net profit and a positive EPS.

The company made a revenue of Rs.121.300 Million for the 3<sup>rd</sup> Quarter ended 2023 against a revenue of Rs. 171.444 Million in the previous corresponding period i.e. March 31' 2022.

The profit per share for the nine months ended March 31, 2023 was **0.74** compared to a Loss per share in the corresponding period of (0.46).

The primary factors resulting in decreased revenues were low volume activity in the number of daily trades. There were ups and downs in the market due to the ongoing political and economic crisis in the country which made the bourse even duller.

## 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:  
April 27, 2023



# Financials



**AS AT MARCH 31, 2023**

## ASSETS

### Non-Current Assets

Property and equipment	5	12,801,112	13,582,427
Right of use asset	6	18,312,643	15,424,874
Intangibles	7	5,532,184	5,738,434
Long term deposits	8	7,484,805	10,239,515
Deferred taxation	9	16,125,167	12,755,206
		<u>60,255,911</u>	<u>57,740,456</u>

### Current Assets

Short term investments	10	27,102,589	45,494,101
Trade debts	11	217,514,189	177,276,250
Receivable against margin finance	12	45,148,008	42,864,992
Advances, deposits, prepayments and other receivables	13	103,989,006	127,927,316
Tax refunds due from government	14	724,724	-
Cash and bank balances	15	48,663,406	68,425,609

### Total Assets

### ***EQUITY AND LIABILITIES***

## Share Capital and Reserves

### Authorized Capital

75,000,000 (2022 : 75,000,000) Ordinary shares

Ordinary shares of Rs. 10 each

750,000,000	750,000,000
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Issued, subscribed and paid-up capital

300,000,000 300,000,000

## Reserves

Accumulated Profit / (Loss)

11,661,632 (10,527,892

### Shareholders' Equity

311,661,632	289,472,108
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### Non-Current Liabilities

## Lease liabilities

7.014.292	8.596.852
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### Current Liabilities

Current maturity of lease liabilities

16	8,579,774	7,699,929
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### Short term borrowings

17	16,565,985	50,219,839
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Trade and other payables

18	158,671,729	162,167,481
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Accrued markup

904,422	1,111,160
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### Provision for taxation

19	-	461,355
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184,721,910	221,659,764
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## Commitment

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### Total Equity and Liabilities

503,397,834	519,728,724
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The annexed notes 1 to 25 form an integral part of these financial statements

At

**Chief Executive**

*Julijar*

Director

Ahmed

**Chief Financial Officer**

# Statement of Profit or Loss

## For the Period Ended March 31, 2023

		Nine months ended		3rd quarter ended	
	Note	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		----- Rupees -----			
Operating revenue	21	121,300,258	171,444,612	34,310,682	45,535,561
Gain/(Loss) on sale of short term investments		40,171,299	(12,977,804)	20,585,247	(10,839,881)
(Loss)/Gain on remeasurement of investments - at FVTPL		(6,048,865)	(8,593,263)	(983,290)	3,760,507
		155,422,691	149,873,545	53,912,639	38,456,187
Operating and administrative expenses		(140,833,244)	(169,321,428)	(40,896,138)	(51,976,483)
Finance cost		(4,993,757)	(4,389,353)	(1,673,939)	(1,410,288)
		(145,827,001)	(173,710,781)	(42,570,078)	(53,386,772)
<b>Operating Profit / (Loss)</b>		<b>9,595,690</b>	<b>(23,837,236)</b>	<b>11,342,561</b>	<b>(14,930,585)</b>
Other charges	22	(8,965,359)	(1,573,368)	(1,414,188)	(220,823)
Other income		21,850,125	18,625,839	6,813,225	6,527,776
<b>Profit / (Loss) before taxation</b>		<b>22,480,456</b>	<b>(6,784,766)</b>	<b>16,741,598</b>	<b>(8,623,633)</b>
Taxation		(265,613)	(6,999,817)	1,404,738	(2,998,259)
<b>Profit / (Loss) after taxation</b>		<b>22,214,843</b>	<b>(13,784,583)</b>	<b>18,146,336</b>	<b>(11,621,892)</b>
<b>Earning / (Loss) per share - basic and diluted</b>		<b>0.74</b>	<b>(0.46)</b>	<b>0.60</b>	<b>(0.39)</b>

The annexed notes 1 to 25 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer



# Statement of Comprehensive Income

## For the Period Ended March 31, 2023

	<i>Nine months ended</i>		<i>3rd Quarter ended</i>	
	<i>March 31, 2023</i>	<i>March 31, 2022</i>	<i>March 31, 2023</i>	<i>March 31, 2022</i>
	<i>----- Rupees -----</i>			
<b>Profit / (Loss) for the period</b>	22,214,843	(13,784,583)	18,146,336	(11,621,892)
Other comprehensive loss for the period	(25,319)	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>22,189,524</b>	<b>(13,784,583)</b>	<b>18,146,336</b>	<b>(11,621,892)</b>

The annexed notes 1 to 25 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer

# Statement of Changes in Equity

## For the Period Ended March 31, 2023

	<i>Share Capital</i>	<i>Revenue Reserves Accumulated (losses)/Profit</i>	<i>Shareholders Equity</i>
	<i>----- Rupees -----</i>		
<b>Balance as at July 1, 2021</b>	<b>300,000,000</b>	<b>3,123,470</b>	<b>303,123,470</b>
Loss for the period ended March 31, 2022	-	(13,784,583)	(13,784,583)
<b>Balance as at March 31, 2022 (Un-Audited)</b>	<b>300,000,000</b>	<b>(10,661,113)</b>	<b>289,338,887</b>
<b>Balance as at July 1, 2022</b>	<b>300,000,000</b>	<b>(10,527,892)</b>	<b>289,472,108</b>
Profit for the period ended March 31, 2023	-	22,214,843	22,214,843
Other Comprehensive (loss) for the period	-	(25,319)	(25,319)
<b>Balance as at March 31, 2023 (Un-Audited)</b>	<b>300,000,000</b>	<b>11,661,632</b>	<b>311,661,632</b>

The annexed notes 1 to 25 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer



# Statement of Cash Flows

For the Period Ended March 31, 2023

## A. CASH FLOWS FROM OPERATING ACTIVITIES

	March 31, 2023 Rupees	March 31, 2022 Rupees
<b>Profit / (Loss) before taxation</b>	22,480,456	(6,784,766)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,160,159	1,215,157
Profit on saving account	(4,288,344)	(1,598,730)
Amortization on right of use assets	6,873,534	5,766,519
Amortization	206,250	206,250
Interest expense on lease liabilities	1,921,660	1,347,834
Provision for doubtful debts	8,965,359	1,573,368
Interest income on exposure deposited	(4,649,467)	(3,655,264)
Profit on margin financing	(6,086,828)	(7,431,102)
MTS markup	(3,328,932)	(3,223,340)
Finance cost	3,072,097	3,041,519
Dividend income	(861,767)	(1,167,212)
Reversal of provision for doubtful debts	(3,182,959)	(1,147,346)
Loss / (Gain) on sale of Investment	(40,171,299)	12,977,804
Unrealised loss on remeasurement of investment	6,048,865	8,593,263
	(34,321,672)	16,498,719
	(11,841,216)	9,713,954
<b>Changes in Working Capital:</b>		
<b>Decrease / (Increase) in current assets</b>		
Trade debts	(46,020,339)	(95,563,812)
Receivable against margin finance	(2,283,016)	40,802,530
Advances, deposits, prepayments and other receivables	23,213,586	145,116,994
	(25,089,769)	90,355,712
<b>Decrease in current liabilities</b>		
Trade and other payables	(3,495,752)	(91,124,335)
<b>Cash (used in) / generated from operations</b>	(40,426,737)	8,945,331
Taxes paid	(4,821,654)	(13,307,063)
Finance cost paid	(3,278,835)	(3,860,639)
Long term deposits - net	2,754,710	(6,759,315)
<b>Net cash used in operating activities</b>	(45,772,517)	(14,981,686)

## B. CASH FLOWS FROM INVESTING ACTIVITIES


Purchase of fixed assets	(378,844)	(2,312,843)
Loss on sale of short Term Investments	(25,319)	
Interest income received	18,865,394	16,087,271
Dividend income received	861,767	1,167,212
Investments - net	48,887,138	(40,517,557)
<b>Net cash generated from / (used in) investing activities</b>	68,210,136	(25,575,917)

## C. CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short term borrowings	(33,653,854)	(11,284,882)
Repayment of liabilities against use of asset	(8,545,968)	(6,634,320)
<b>Net cash (used in) financing activities</b>	(42,199,822)	(17,919,202)
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	(19,762,203)	(58,476,805)
<b>Cash and cash equivalents at beginning of year</b>	68,425,609	99,296,325
<b>Cash and cash equivalents at end of year</b>	48,663,406	40,819,520

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The annexed notes 1 to 25 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer



# Notes to the Financial Statements

## For the Period Ended March 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.  
Room No. 616, 6th Floor, Stock Exchange Building 19- Khayaban-e-Aiwan-Iqbal, Lahore.

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, 2022.

### 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.

#### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4 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, 2022.



			<i>(Un-Audited)</i> <i>March 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i> <i>Rupees</i>
	<i>Note</i>			
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	5.1	<u>12,551,112</u>	<u>13,332,427</u>	
Capital work in progress	5.2	<u>250,000</u>	<u>250,000</u>	
		<u>12,801,112</u>	<u>13,582,427</u>	
<b>5.1</b>	<b>Operating fixed assets</b>			
Opening written down value		13,332,427	12,749,879	
Addition during the period		378,844	2,312,843	
Disposals during the period		-	(27,737)	
Depreciation charge for the period		<u>(1,160,159)</u>	<u>(1,702,558)</u>	
		<u>12,551,112</u>	<u>13,332,427</u>	
<b>5.2</b>	<b>Capital work in progress</b>			
Opening balance		250,000	-	
Addition during the year		-	1,350,065	
Transferred to fixed assets		-	(1,100,065)	
Closing balance		<u>250,000</u>	<u>250,000</u>	
<b>5.3</b>	<b>Details of additions of operating fixed assets during period/year are as follows:</b>			
Computers		156,622	59,700	
Furniture and fittings		-	1,780,900	
Vehicles		-	206,500	
Office equipment		<u>222,222</u>	<u>265,743</u>	
		<u>378,844</u>	<u>2,312,843</u>	
<b>6</b>	<b>RIGHT OF USE ASSETS</b>			
Opening balances		15,424,874	17,121,108	
Additions		9,772,745	6,220,120	
Amortization expense		<u>(6,884,976)</u>	<u>(7,916,354)</u>	
Closing balance		<u>18,312,643</u>	<u>15,424,874</u>	
<b>7</b>	<b>INTANGIBLES</b>			
<b>Trading Rights Entitlement Certificate (TREC)</b>				
Pakistan Stock Exchange Limited (PSX)	7.1&7.2	1,280,000	1,280,000	
<b>Offices</b>				
LSE Financial Services Limited (LFSL)	7.3	262,600	262,600	
<b>Pakistan Mercantile Exchange Limited (PMEX) membership</b>				
Pakistan Mercantile Exchange Limited		2,500,000	2,500,000	
<b>Software</b>	7.4	<u>1,489,584</u>	<u>1,695,834</u>	
		<u>5,532,184</u>	<u>5,738,434</u>	

- 7.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integrations) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received the equity shares of LSE Financial Services Limited (LFSL) and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Lahore Stock Exchange (Guarantee) Limited.
- 7.2 This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.
- 7.3 This represent cost of offices given by LSE Financial Services Limited with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

	<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
<b>7.4 Software</b>		
Opening net book value	1,695,834	1,970,834
Amortization charge	(206,250)	(275,000)
<b>Closing net book value</b>	<b>1,489,584</b>	<b>1,695,834</b>
Cost	2,750,000	2,750,000
Accumulated amortization	(1,260,416)	(1,054,166)
<b>Net book value</b>	<b>1,489,584</b>	<b>1,695,834</b>
<b>Amortization rate</b>	<b>10%</b>	<b>10%</b>

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

National Clearing Company of Pakistan Limited (NCCPL)	1,400,000	1,400,000
Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
Pakistan Mercantile Exchange Limited	500,000	500,000
Rentals deposits	500,500	565,500
Lease deposits	-	2,704,710
Base minimum capital	4,969,305	4,969,305
Other deposits	15,000	-
	<b>7,484,805</b>	<b>10,239,515</b>

**9 DEFERRED TAXATION**

Deferred tax asset is net off of (taxable) / deductible temporary differences in respect of the followings:-

	<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
<b>Taxable temporary differences</b>		
Accelerated tax depreciation	(1,028,986)	(937,142)
Right of use asset	(5,310,667)	(4,473,213)
	<b>(6,339,653)</b>	<b>(5,410,355)</b>
<b>Deductible temporary differences</b>		
Provision for expected credit losses (ECL)	6,219,688	4,542,792
Tax losses	2,085,213	-
Lease liability	4,522,279	4,726,066
Minimum tax	3,226,524	1,721,043
Alternative Corporate Tax	4,641,752	4,641,752
Short Term Investments	1,769,364	2,533,908
	<b>22,464,820</b>	<b>18,165,561</b>
	<b>16,125,167</b>	<b>12,755,206</b>

**10 SHORT TERM INVESTMENTS**

<b>At fair value through profit or loss</b>		
In shares of quoted company	27,072,589	32,779,157
In shares of unquoted company	30,000	12,714,944
	<b>27,102,589</b>	<b>45,494,101</b>



		<i>(Un-Audited)</i> <i>March 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i> <i>Rupees</i>
<b>11</b>	<b>TRADE DEBTS</b>		
	Considered good	217,514,189	177,276,250
	Considered doubtful	21,447,201	15,664,801
		<u>238,961,390</u>	<u>192,941,051</u>
	Provision for doubtful debts	11.2.1 <u>(21,447,201)</u>	<u>(15,664,801)</u>
		<u>217,514,189</u>	<u>177,276,250</u>

**11.1** The company holds capital securities having fair value of Rs. 698.573 million (2022 : Rs. 822.352 million) owned by its clients, as collaterals against trade debts.

		<i>(Un-Audited)</i> <i>March 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i> <i>Rupees</i>
	<b>11.2 Aging analysis</b>		

The aging analysis of trade debts is as follows:

Upto fourteen days	157,227,990	145,835,616
More than fourteen days	81,733,400	47,105,435
	<u>238,961,390</u>	<u>192,941,051</u>

**11.2.1** Adequate provision of **Rs. 21.447 million** (2022 : Rs. 15.665 million) has been provided in respect of amount due from customers.

		<i>(Un-Audited)</i> <i>March 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i> <i>Rupees</i>
	<b>11.3 Provision for doubtful debts</b>		
	Balance as on July 01	15,664,801	9,119,762
	Provision made during the period	8,965,359	7,103,542
		<u>24,630,160</u>	<u>16,223,304</u>
	Reversal of excess provision against trade debt	(3,182,959)	-
	Reversal of excess provision	-	(558,503)
		<u>21,447,201</u>	<u>15,664,801</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 upto the rate of 1 month KIBOR (prevailing at the close of immediately preceding working day) + 8%.

		<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
	<i>Note</i>		
<b>13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - Considered good</b>			
<b>Advances</b>			
Advance to staff		5,016,787	4,542,073
Advance for office maintenance		797,850	1,909,140
		<b>5,814,637</b>	<b>6,451,213</b>
<b>Deposits</b>			
Deposit against exposure	13.1	34,078,899	49,206,529
Deposits against margin trading system	13.2	20,748,455	34,699,872
Deposit against PMEX margin	13.3	36,003,254	29,148,533
		<b>90,830,608</b>	<b>113,054,934</b>
<b>Prepayments</b>			
Short term prepayments		130,650	-
<b>Other receivables</b>			
Other receivables		198,730	820,881
PMEX Clearing House		598,849	2,714,377
Markup receivable against leverage products		3,521,300	3,561,800
Markup receivable against Saving Account		23,881	495,203
Retained profit future contract from NCCPL		2,870,350	828,908
		<b>7,213,111</b>	<b>8,421,169</b>
		<b>103,989,006</b>	<b>127,927,316</b>

**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> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
	<i>Note</i>		
<b>14. TAX REFUNDS DUE FROM GOVERNMENT</b>			
Opening tax refund		(461,356)	-
Tax paid during the year		4,821,654	-
		4,360,298	-
Provision for the year		(3,635,574)	-
Prior year		-	-
		<b>724,724</b>	<b>-</b>

#### **15. CASH AND BANK BALANCES**

<b>17</b>	Cash in hand		1,452,256	668,764
	<b>Cash at banks</b>			
	In current accounts		627,379	1,486,785
	In saving account	15.1	46,583,771	66,270,060
		15.2	47,211,150	67,756,845
			<b>48,663,406</b>	<b>68,425,609</b>

**15.1** Saving account carries markup which ranges from 7.00% to 14.60% (June 2022 : 6.5% to 10.75%) per annum.



	<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
<b>15.2 Balance pertaining to :</b>		
Clients	<b>46,256,678</b>	65,917,676
Brokerage house	<b>954,472</b>	1,839,169
	<b>47,211,150</b>	67,756,845

## **16 LEASE LIABILITIES**

Opening balances	<b>16,296,781</b>	17,359,085
Additions	<b>5,921,593</b>	6,220,120
Interest expense	<b>1,921,660</b>	1,928,418
Payments	<b>(8,545,968)</b>	(9,210,842)
	<b>(702,715)</b>	(1,062,304)
<b>Closing balances</b>	<b>15,594,066</b>	16,296,781
Current	<b>8,579,774</b>	7,699,929
Non - current	<b>7,014,292</b>	8,596,852
	<b>15,594,066</b>	16,296,781

Rate of return on lease liabilities ranges from 9.92% - 20% (June 22 : 9.92% - 18.6%).

	<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
<b>17 SHORT TERM BORROWINGS</b>		
<i>Secured - interest bearing - from banking companies</i>		
Running finance	<b>16,565,985</b>	50,219,839

**17.1** This represents running finance facility of Rs. 240 million from JS Bank Limited to finance daily clearing obligation of Pakistan stock exchange 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.

	<i>(Un-Audited)</i> <b>March 31,</b> <b>2023</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2022</b> <b>Rupees</b>
<b>18 TRADE AND OTHER PAYABLES</b>		
Trade creditors	<b>91,539,868</b>	72,428,448
Accrued liabilities	<b>9,361,559</b>	14,009,170
Withholding tax payable	<b>9,110,108</b>	4,267,591
Sindh sales tax payables	<b>2,949,337</b>	2,813,567
Employees compensated absences	<b>-</b>	651,567
Retain future profit of clients	<b>5,661,790</b>	1,657,815
DFC withheld exposure demand from clients	<b>10,813,974</b>	10,714,052
Withheld Regular & MTS exposure and margin	<b>24,818,427</b>	47,273,923
Other liabilities	<b>4,416,666</b>	8,351,348
	<b>158,671,729</b>	162,167,481

## **19 PROVISION FOR TAXATION**

Opening tax payable / (refundable)	-	11,537,330
Tax refund during the period	-	-
Tax paid during the period	-	(14,173,941)
	-	(2,636,611)
Provision for the period	-	3,097,966
	-	461,355

## 20 COMMITMENT

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

	<i>(Un-Audited)</i> <i>March 31,</i> <i>2023</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i> <i>Rupees</i>
For purchase of shares	<u>295,992,033</u>	<u>133,753,324</u>
For sale of shares	<u>244,531,153</u>	<u>139,061,397</u>

<i>(Un-Audited)</i> <i>Nine Months ended</i>		<i>(Un-Audited)</i> <i>3rd Quarter ended</i>	
<i>March 31,</i> <i>2023</i>	<i>March 31,</i> <i>2022</i>	<i>March 31,</i> <i>2023</i>	<i>March 31,</i> <i>2022</i>
<i>----- Rupees -----</i>			

## 21 OPERATING REVENUE

Brokerage income from PSX	<b>85,807,811</b>	143,502,089	<b>25,742,187</b>	36,427,769
Brokerage income from PMEX	<b>26,216,666</b>	13,316,656	<b>5,652,030</b>	5,634,049
Transaction charges from clients	<b>8,414,014</b>	13,458,654	<b>2,460,698</b>	2,840,762
Dividend income	<b>861,767</b>	1,167,212	<b>455,767</b>	632,981
	<u><b>121,300,258</b></u>	<u>171,444,612</u>	<u><b>34,310,682</b></u>	<u>45,535,561</u>

## 22 OTHER CHARGES

Provision for doubtful debts	<u><b>(8,965,359)</b></u>	<u><b>(1,573,368)</b></u>	<u><b>(1,414,188)</b></u>	<u><b>(220,823)</b></u>
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## 23 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.

## 24 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 27, 2023.

## 25 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer