

# Our Commitment to Growth

Half Yearly Report  
December 31st 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





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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 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.





Our Commitment to Prosper





# Code of Conduct

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

## Corporate Social Responsibility

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

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

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





# Company Information

**Board of Directors:**

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

Chairman  
 Member  
 Member

**H.R & Remuneration Committee:**

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

Chairman  
 Member  
 Member

**Management Committee ( ML/TF)**

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

Chairman  
 Member  
 Member

**Investment Committee**

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

Chairman  
 Member  
 Member

**Risk Management Committee**

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

Chairman  
 Member  
 Member  
 Member

**I.T. Steering Committee**

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

Chairman  
 Member  
 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  
 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

**Branch Office Lahore:**

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

**Branch Office 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

**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 – BFC Building, Karachi**

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

**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

Website: [www.tsbl.com.pk](http://www.tsbl.com.pk) E-mail: [info@tsbl.com.pk](mailto:info@tsbl.com.pk)



# Directors' Report





## DEAR SHAREHOLDERS,

On behalf of the Board of Directors of the company, we are pleased to present the Financial Statements of the Company for the Half Year Ended 31<sup>st</sup> December 2021 together with the Directors' report thereon as per accounting, regulatory and legal requirements.

Following is the summary of the Company's financial performance during the six months ended on 31<sup>st</sup> December 2021:

	December 31, 2021	December 31, 2020
Revenue	115,291,159	131,884,724
Operating (Loss)/Profit	(19,524,549)	24,794,369
Profit before taxation	1,838,860	47,188,133
(Loss)/Profit after taxation	(2,162,698)	37,064,401

We are pleased to announce the Company's Financial Results for the six months ended which has seen a significant decline in revenue compared to the previous half-year resulting to a loss and Negative EPS.

The company made a Loss of 2.162 million for the six months ended December 31, 2021 against a net profit of Rs. 37.064 million in the previous corresponding period i.e. December 31, 2020.

The company has reported a Loss per share of 0.07 for the Half Year ended December 31, 2021 which is state contrast to the ongoing market performance.

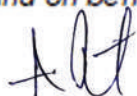
The primary factors resulting in lackluster revenues were the low volumes on the bourse which resulted in low number of daily trades as well as open positions in the Proprietary Account. The State Bank of Pakistan (SBP) raised the Interest Rate twice in the second quarter while revising the monetary policy in November by 150 basis points and yet another raise of 100 basis points in December which accumulatively added to a 250 basis points. The surprise by the SBP of November review was unexpected and the market reacted negatively, shattering the investors' confidence. Moreover, the emergence of a new Covid Variant also brought negativity and low trade volumes as investors looked towards a similar lock down situation which might arise. The commodity prices remained unstable with Oil, Gas and Coal prices directly affecting the economy. Inflation kept rising with each statistics displaying an increase. The PKR against the USD devalued, widely affecting the foreigner participation in the Market. Furthermore, the Semi-Annual Index Review of MSCI was conducted in November '21 with Pakistan's weight estimated at 1.36% in the MSCI Frontier Market Large Cap Index. The Small Index Cap also witnessed a restructuring with some of key Index Players axed from the final MSCI small cap.

## 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 (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, February 22, 2022



# Financials



**INDEPENDENT AUDITORS' 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, 2021, 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 interim financial statements are not prepared, in all materials 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, 2021 and 2020 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, 2021.

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

February 22, 2022

  
Reanda Haroon Zakaria & Company  
Chartered Accountants  
RHZ

Place: Karachi  
Dated: February 22, 2022  
UDIN: RR202110127QgXatDqsK




# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	5	13,650,075	12,749,879
Right of use asset	6	15,640,150	17,121,108
Intangibles	7	5,875,934	6,013,434
Long term investments		12,684,944	12,684,944
Long term deposits	8	8,764,505	3,480,200
Deferred taxation	9	8,382,557	9,534,563
		64,998,165	61,584,128
<b>Current Assets</b>			
Short term investments	10	31,562,009	20,595,180
Trade debts	11	150,715,121	74,892,752
Receivable against margin finance	12	44,969,183	78,091,508
Advances, deposits, prepayments and other receivables	13	210,292,445	279,028,184
Cash and bank balances	14	40,040,554	99,296,325
		477,579,312	551,903,949
<b>Total Assets</b>		<b>542,577,477</b>	<b>613,488,077</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (2021 : 75,000,000) Ordinary shares			
Ordinary shares of Rs. 10 each			
		750,000,000	750,000,000
<b>Issued, subscribed and paid-up capital</b>			
		300,000,000	300,000,000
<b>Reserves</b>			
Accumulated profit		960,772	3,123,469
<b>Shareholders' Equity</b>		<b>300,960,772</b>	<b>303,123,469</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		9,017,003	11,040,435
<b>Current Liabilities</b>			
Current maturity of lease liabilities	15	7,194,722	6,318,650
Short term borrowings	16	29,339,914	37,110,437
Trade and other payables	17	183,559,894	242,584,028
Accrued markup		792,494	1,773,728
Provision for taxation	18	11,712,678	11,537,330
		232,599,702	299,324,173
<b>Commitment</b>	19		
<b>Total Equity and Liabilities</b>		<b>542,577,477</b>	<b>613,488,077</b>

The annexed notes 1 to 24 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	Half year ended		2nd quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		----- Rupees -----			
Operating revenue	20	115,291,159	131,884,724	52,272,482	60,166,204
(Loss)/Gain on sale of short term investments		(2,137,923)	8,977,800	(1,020,899)	5,074,287
Loss on remeasurement of - at FVTPL		(12,353,770)	(288,661)	(5,515,138)	(323,610)
		100,799,466	140,573,863	45,736,445	64,916,881
Operating and administrative expenses		(117,344,950)	(114,486,455)	(54,870,207)	(60,261,166)
Finance cost		(2,979,065)	(1,293,039)	(1,244,215)	(578,862)
		(120,324,015)	(115,779,494)	(56,114,422)	(60,840,028)
Operating profit		(19,524,549)	24,794,369	(10,377,977)	4,076,853
Other charges	21	(1,352,545)	-	(634,983)	-
Other income		22,715,954	22,393,764	10,738,472	11,345,350
Profit / (loss) before taxation		1,838,860	47,188,133	(274,488)	15,422,203
Taxation		(4,001,558)	(10,123,732)	(2,167,951)	(4,802,471)
(Loss)/Profit after taxation		(2,162,698)	37,064,401	(2,442,439)	10,619,732
(Loss) / Earning per share - basic and diluted		(0.07)	1.24	(0.08)	0.35

The annexed notes 1 to 24 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31, 2021</i>	<i>December 31, 2020</i>	<i>December 31, 2021</i>	<i>December 31, 2020</i>
	<i>----- Rupees -----</i>			
(Loss) / Profit for the period	(2,162,698)	37,064,401	(2,442,439)	10,619,732
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,162,698)</b>	<b>37,064,401</b>	<b>(2,442,439)</b>	<b>10,619,732</b>

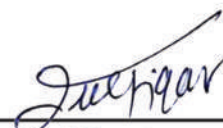
The annexed notes 1 to 24 form an integral part of these financial statements



*Chief Executive*



*Chief Financial Officer*



*Director*

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	<i>Share Capital</i>	<i>Revenue Reserves Accumulated (losses)/Profit ----- Rupees -----</i>	<i>Shareholders Equity</i>
Balance as at July 1, 2020	300,000,000	(94,869,082)	205,130,918
Profit for the period ended December 31, 2020	-	37,064,401	37,064,401
Balance as at December 31, 2020 (Un-Audited)	300,000,000	(57,804,681)	242,195,319
Balance as at July 1, 2021	300,000,000	3,123,470	303,123,470
Loss for the period ended December 31, 2021	-	(2,162,698)	(2,162,698)
Balance as at December 31, 2021 (Un-Audited)	300,000,000	960,772	300,960,772

The annexed notes 1 to 24 form an integral part of these financial statements



*Chief Executive*



*Chief Financial Officer*



*Director*




# CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	December 31, 2021 Rupees	December 31, 2020 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,838,860	47,188,133
Adjustment for non-cash charges and other items		
Depreciation	810,147	815,096
Profit on saving account	(637,844)	(574,247)
Amortization on right of use assets	3,711,718	2,539,670
Amortization	137,500	137,500
Interest expense on lease liabilities	874,601	388,481
Provision for doubtful debts	1,352,545	-
Interest income on exposure deposited	(2,351,594)	(2,012,097)
Profit on margin financing	(5,729,295)	(6,118,514)
MTS markup	(2,310,139)	(1,585,491)
Finance cost	2,104,464	1,293,039
Dividend income	(534,231)	(590,783)
Reversal of provision for doubtful debts	(978,937)	(616,872)
Loss / (Gain) on sale of Investment	2,137,923	(8,977,800)
Unrealised loss on remeasurement of investment	12,353,770	288,661
	10,940,628	(15,013,357)
	12,779,488	32,174,776
Changes in Working Capital:		
Decrease / (Increase) in current assets		
Trade debts	(76,195,977)	(20,970,909)
Receivable against margin finance	33,122,325	(10,621,323)
Advances, deposits, prepayments and other receivables	69,301,552	(168,602,253)
	26,227,900	(200,194,485)
Decrease in current liabilities		
Trade and other payables	(59,024,134)	141,190,333
Cash used in operations	(20,016,746)	(26,829,376)
Taxes paid	(2,982,993)	(891,488)
Finance cost paid	(3,085,689)	(1,293,039)
Long term deposits - net	(5,284,305)	(1,229,700)
Net cash used in operating activities	(31,369,733)	(30,243,603)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,710,343)	(964,052)
Interest income received	10,771,850	9,111,406
Dividend income received	534,231	590,783
Investments - net	(25,458,522)	10,306,521
Net cash (used)/generated from investing activities	(15,862,784)	19,044,658
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	(7,770,523)	51,096,336
Repayment of liabilities against use of asset	(4,252,731)	(3,048,703)
Net cash (used in) /generated from financing activities	(12,023,254)	48,047,633
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(59,255,771)	36,848,688
Cash and cash equivalents at beginning of year	99,296,325	37,248,528
Cash and cash equivalents at end of year	40,040,554	74,097,216

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The annexed notes 1 to 24 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

### 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, 2021.

### 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, 2021 and December 31, 2020 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, 2021 and December 31, 2020.

## **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, 2021.

## **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, 2021.

## 5 PROPERTY AND EQUIPMENT

	Note	(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
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Operating fixed assets	5.1	<b>13,650,075</b>	<b>12,749,879</b>
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### 5.1 Operating fixed assets

Opening written down value	12,749,879	12,989,347
Addition during the period	1,710,343	1,434,660
Depreciation charge for the period	(810,147)	(1,674,128)
	<b>13,650,075</b>	<b>12,749,879</b>

### 5.2 Capital work in progress

Opening balance	-	-
Addition during the year	1,100,065	572,880
Transferred to fixed assets	(1,100,065)	(572,880)
Closing balance	-	-

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

	----- Half year ended -----	
	December 31, 2021 Rupees	June 30, 2021 Rupees
Computers	34,700	340,572
Furniture and fittings	1,280,900	727,043
Vehicles	129,000	241,710
Office equipment	265,743	125,335
	<b>1,710,343</b>	<b>1,434,660</b>

## 6 RIGHT OF USE ASSETS

	(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
Opening balances	17,121,108	3,337,495
Additions	2,230,767	19,294,350
Depreciation expense	(3,711,725)	(5,510,737)
Closing balance	<b>15,640,150</b>	<b>17,121,108</b>



		<i>(Un-Audited)</i> <i>December 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2021</i> <i>Rupees</i>
	<i>Note</i>		
<b>7 INTANGIBLES</b>			
<i>Trading Rights Entitlement Certificate (TREC)</i>			
Pakistan Stock Exchange Limited (PSX)	7.1&7.2	1,280,000	1,280,000
<i>Offices</i>			
LSE Financial Services Limited (LFSL)	7.3	262,600	262,600
<i>Pakistan Mercantile Exchange Limited (PMEX) membership</i>			
Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
<i>Software</i>			
	7.4	1,833,334	1,970,834
		<b>5,875,934</b>	<b>6,013,434</b>

**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> <i>December 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2021</i> <i>Rupees</i>
<b>7.4 Software</b>		
Opening net book value	1,970,834	2,245,834
Amortization charge	(137,500)	(275,000)
<b>Closing net book value</b>	<b>1,833,334</b>	<b>1,970,834</b>
Cost	2,750,000	2,750,000
Accumulated amortization	(916,666)	(779,166)
<b>Net book value</b>	<b>1,833,334</b>	<b>1,970,834</b>
<b>Amortization rate</b>	<b>10%</b>	<b>10%</b>

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

**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	550,500	250,500
Lease deposits	1,229,700	1,229,700
Base minimum capital	4,969,305	-
Other deposits	15,000	-
	<b>8,764,505</b>	<b>3,480,200</b>

**9 DEFERRED TAXATION**

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

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

**Taxable temporary differences**

Accelerated tax depreciation	(5,506,270)	(5,909,238)
Unrealized gain on investments	-	(442,725)
	<b>(5,506,270)</b>	<b>(6,351,963)</b>

**Deductible temporary differences**

Provision for doubtful debts	2,753,077	2,644,731
Assessed tax losses	-	1,370,658
Lease liability	4,701,400	5,034,135
Minimum tax	49,564	2,195,250
Alternative Corporate Tax	4,641,752	4,641,752
Unrealized loss on investments	1,743,034	-
	<b>13,888,827</b>	<b>15,886,526</b>
	<b>8,382,557</b>	<b>9,534,563</b>

**10 SHORT TERM INVESTMENTS**

*At fair value through profit or loss*

In shares of quoted company	31,532,009	20,565,180
In shares of unquoted company	30,000	30,000
	<b>31,562,009</b>	<b>20,595,180</b>



		<i>(Un-Audited)</i> <i>December 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2021</i> <i>Rupees</i>
<b>11 TRADE DEBTS</b>	<b>Note</b>		
Considered good		150,715,121	74,892,752
Considered doubtful		9,493,370	9,119,762
		<b>160,208,491</b>	<b>84,012,514</b>
Provision for doubtful debts	11.2.1	<b>(9,493,370)</b>	<b>(9,119,762)</b>
		<b>150,715,121</b>	<b>74,892,752</b>

**11.1** The total value of securities pertaining to clients are **Rs. 937.559 million** (June 2021 : Rs.845.810 million) held in sub-accounts of the company. Securities pledged by client to the financial institutions amounting to **Rs.123.88 million** (June 2021 : Rs.109.50 million).

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2021</i> <i>Rupees</i>
<b>11.2 Aging analysis</b>	<b>Note</b>		
The aging analysis of trade debts is as follows:			
Upto fourteen days		133,604,940	68,397,522
More than fourteen days	11.2.1	26,603,552	15,614,992
		<b>160,208,492</b>	<b>84,012,514</b>

**11.2.1** Adequate provision of **Rs. 9.493 million** (2021 : Rs. 9.119 million) has been provided in respect of amount due from customers.

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2021</i> <i>Rupees</i>
<b>11.3 Provision for doubtful debts</b>			
Balance as on July 01		9,119,762	11,510,903
Provision made during the period		1,352,545	651,051
		<b>10,472,307</b>	<b>12,161,954</b>
Reversal of excess provision against trade debt		<b>(978,937)</b>	<b>(2,037,981)</b>
Reversal of excess provision		-	(1,004,211)
		<b>9,493,370</b>	<b>9,119,762</b>

## 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 house account. The company is financing on Financing Participation Ratio (FPR) of maximum 85% and charging markup ranging between the rate of 15% to 19% fixed rate.

		(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
	Note		
<b>13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - Considered good</b>			
<b>Advances</b>			
Advance to staff		3,603,223	3,340,055
Advance for office maintenance		1,081,015	252,890
		<u>4,684,238</u>	<u>3,592,945</u>
<b>Deposits</b>			
Deposit against exposure	13.1	119,773,860	134,348,212
Deposits against margin trading system	13.2	63,337,166	132,806,264
		<u>183,111,026</u>	<u>267,154,476</u>
<b>Prepayments</b>			
Short term prepayments		444,000	588,000
<b>Other receivables</b>			
Other receivables		2,160,918	1,768,935
PMEX Clearing House		1,320,023	1,371,714
Markup receivable against leverage products		3,370,741	3,130,829
Markup receivable against Saving Account		23,531	6,420
Capital gain tax receivable		308,790	-
Retained profit future contract from NCCPL		14,869,178	1,414,865
		<u>22,053,181</u>	<u>7,692,763</u>
		<u>210,292,445</u>	<u>279,028,184</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.

		(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
	Note		
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		1,428,039	473,187
<b>Cash at banks</b>			
In current accounts		1,239,044	80,141,278
In saving account	14.1	37,373,471	18,681,860
	14.2	38,612,515	98,823,138
		<u>40,040,554</u>	<u>99,296,325</u>

14.1 Saving account carries markup which ranges from 3.25% to 5.5% (June-2021 : 3.25% to 5.5%) per annum.



<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

#### 14.1 Balance pertaining to :

Clients	37,006,035	97,758,000
Brokerage house	1,606,479	1,065,138
	<u>38,612,514</u>	<u>98,823,138</u>

### 15 LEASE LIABILITIES

Opening balances	17,359,085	3,520,273
Additions	2,230,770	19,294,350
Interest expense	874,601	817,051
Payments	(4,252,731)	(6,272,589)
	<u>(1,147,360)</u>	<u>13,838,812</u>
Closing balances	16,211,725	17,359,085
Current	7,194,722	6,318,650
Non - current	9,017,003	11,040,435
	<u>16,211,725</u>	<u>17,359,085</u>

Rate of return on lease liabilities ranges from 9.92% - 10.3% (June 21 : 9.92% - 10.45%).

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

### 16 SHORT TERM BORROWINGS

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

Running finance	<u>29,339,914</u>	<u>37,110,437</u>
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16.1 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 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>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

## **17 TRADE AND OTHER PAYABLES**

Trade creditors	92,843,256	153,066,515
Accrued liabilities	13,341,246	14,617,594
Withholding tax payable	4,190,844	5,863,943
Capital gain tax payable	-	28,797,875
Sindh sales tax payables	3,433,972	6,198,334
Employees compensated absences	1,636,473	1,636,473
Retain future profit of clients	29,634,640	1,337,560
DFC withheld exposure demand from clients	29,855,755	26,220,344
Other liabilities	8,623,708	4,845,390
	<b>183,559,894</b>	<b>242,584,028</b>

## **18 PROVISION FOR TAXATION**

Opening tax payable / (refundable)	11,537,330	(4,672,365)
Tax refund during the period	-	376,190
Tax paid during the period	(2,674,204)	(2,989,597)
	<b>8,863,126</b>	<b>(7,285,772)</b>
Provision for the period	<b>2,849,552</b>	<b>18,823,102</b>
	<b>11,712,678</b>	<b>11,537,330</b>

## **19 COMMITMENT**

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

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>December 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2021</i>
<i>Rupees</i>	<i>Rupees</i>

For purchase of shares	488,996,534	748,945,199
For sale of shares	489,014,962	709,607,252



<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
<i>December 31,</i> <i>2021</i>	<i>December 31,</i> <i>2020</i>	<i>December 31,</i> <i>2021</i>	<i>December 31,</i> <i>2020</i>
<i>Rupees</i>			

## 20 OPERATING REVENUE

Brokerage income from PSX	107,074,321	126,082,172	47,330,039	56,448,449
Brokerage income from PMEX	7,682,607	5,211,769	4,408,212	3,126,972
Dividend income	534,231	590,783	534,231	590,783
	115,291,159	131,884,724	52,272,482	60,166,204

## 21 OTHER CHARGES

Provision for doubtful debts	(1,352,545)	-	(634,983)	-
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## 22 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 financial statement, are as under:

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>Unaudited December 31, 2021 Rupees</i>	<i>Unaudited December 31, 2020 Rupees</i>
Chief Executive Officer	Abdul Basit	Trade payable	22,261	694,300
		Commission paid	100,885	195,718
		The maximum aggregate amount outstanding during the year was Rs. 932,975		
		Brokerage commission earned	32,286	72,474
Shareholder	Paramount Commodities (Private) Limited	Trade receivable	6,506,728	-
		The maximum aggregate amount outstanding during the year was Rs. 22,152,635		
		Brokerage commission earned	698,279	5,729,509
Shareholder	MG Media (Private) Limited	Trade receivables	1,726,439	4,741,380
		The maximum aggregate amount outstanding during the year was Rs. 4,102,324		
		Brokerage commission earned	72,960	338,765
Shareholder	Forsight investment pakistan (pvt) (ltd)	Trade receivables	3,037	-
		The maximum aggregate amount outstanding during the year was Rs. 3,037		
Shareholder	Nash Advertising (Private) Limited	Trade receivables	-	3,000
Shareholder	Mr. Sikandar Mehmood			

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>Unaudited December 31, 2021 Rupees</i>	<i>Unaudited December 31, 2020 Rupees</i>
Shareholder	Mr. Khurram Faraz	Trade receivables	853	
		Trade payable	-	2,465,999
		The maximum aggregate amount outstanding during the year was Rs. 4,663,415		
		Brokerage commission earned	130,794	38,151
Common shareholding	Arabian Sea Enterprises Limited	Trade payables	-	23,156,004
		Brokerage commission earned	-	10,282,422
Director	Mr. Junaid Shehzad Ahmed	Trade payable	-	5,331,194
		Trade receivables	797,820	-
		The maximum aggregate amount outstanding during the year was Rs. 797,820		
Director	Mr. Khizer Hayat	Trade receivables	3,907,887	1,227,595
		Brokerage commission earned	19,569	114,070
Director	Mr. Sardar A. Majeed	Trade payable	1,004,177	-
		The maximum aggregate amount outstanding during the year was Rs. 12,465,291		
		Brokerage commission earned	315,873	-
Director	Mr. Zulfiqar Ali Anjum	Trade payable	-	-
		Trade receivables	86,736	296,766
		The maximum aggregate amount outstanding during the year was Rs. 6,718,569		
		Brokerage commission earned	1,105,055	281,223
Director	Mr. Talat Mahmood	Brokerage commission paid	2,651,953	1,265,900
		Trade receivable	4,104,054	2,417,898
		The maximum aggregate amount outstanding during the year was Rs. 11,545,699		
Shareholder	Mrs. Mehreen Khurram	Brokerage commission earned	477,555	52,942
Shareholder	Mrs. Mehreen Khurram	Trade payable	-	49,735
		Brokerage commission earned	-	337,340

## 23 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2022.

## 24 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director