

**Half Yearly Report**  
**December 31, 2016**  
**(Un-Audited)**

**TSBL**

**Trust Securities & Brokerage Limited**

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**Board of Directors**

Mr. Abdul Basit  
Mr. Muhammad Naeem Baig  
Mr. Syed Abdullah Bukhari  
Mr. Syed Nouman Ali Shah  
Mr. Shibli Muhammad Khan  
Mr. Syed Mahmood Ali Shah  
Mr. Syed Javed Hussain

Chief Executive  
Director  
Director  
Director  
Director  
Director  
Director

**Audit Committee**

Mr. Muhammad Naeem Baig  
Mr. Syed Javed Hussain  
Mr. Shibli Muhammad Khan

Chairman  
Member  
Member

**HR & Remuneration**

Mr. Muhammad Naeem Baig  
Mr. Shibli Muhammad Khan  
Mr. Abdul Basit

Chairman  
Member  
Member

**Company Secretary**

Ms. Nadia Haider

**Auditors**

Haroon Zakaria & Company  
Chartered Accountants

**Legal Advisor**

Mr. Abdul Majid  
Advocate

**Share Registrar**

Hameed Majeed Associates (Pvt.) Ltd.

**Bankers**

Bank Alfalah Limited  
MCB Bank Limited  
Al Baraka Bank (Pakistan) Limited  
Habib Metropolitan Bank Limited

**Registered Office**

2nd Floor, Associated House, Building # 1 & 2,  
7-Kashmir Road, Lahore-Pakistan.  
Telephone : (042) 3637 3041-44  
Fax : (042) 3637 3040

**Office at LSE Financial Services Limited (Formerly: Lahore Stock Exchange Limited)**

Room # 607, 6th Floor, LSE Plaza  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore - Pakistan.  
Telephone : (042) 3637 4710, 3630 0181

**Website:** [www.trustsecu.com](http://www.trustsecu.com) **E-mail:** [info@trustsecu.com](mailto:info@trustsecu.com) & [tsbl@brain.net.pk](mailto:tsbl@brain.net.pk)

## DIRECTORS' REVIEW

The Directors are pleased to submit the interim financial statements of the company for the half year ended December 31, 2016.

<b>Financial Results</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
The summarized financial results are as follows:		
Operating revenue	<b>4,648,891</b>	2,256,029
Gain on sale of securities	<b>120,885</b>	115,000
(Loss) on re-measurement of investments	<b>(34,118)</b>	-
	<b>4,735,658</b>	2,371,029
Operating and administrative expenses	<b>(4,856,159)</b>	(4,232,517)
Finance cost	<b>(6,599)</b>	(4,750)
	<b>(4,862,758)</b>	(4,237,267)
<b>Operating loss</b>	<b>(127,100)</b>	(1,866,238)
Other Charges	<b>(2,762,707)</b>	(3,284,218)
Other operating income	<b>875,341</b>	13,101,499
<b>(Loss)/ Profit before taxation</b>	<b>(2,014,466)</b>	7,951,043
Taxation	<b>(107,106)</b>	(80,000)
<b>(Loss)/ Profit after taxation</b>	<b>(2,121,572)</b>	7,871,043
<b>(Loss)/ Earnings per share- basic and diluted</b>	<b>(0.21)</b>	0.79

KSE-100 Index increased by almost 10,023 points, or 26.53 percent, within six months to close at 47,807 points on December 31, 2016.

The company earned total revenue of Rs.5,610,999/- including a reversal of provision amount of Rs. 201,559/- under the head of other operating income during the half year ended December 31, 2016, as compared to total revenue of Rs.12,188,310/- including a reversal of provision amount of Rs. 9,474,082/- under the head of other operating income in the corresponding period of last year. On the expenditure side, the operating expenses were Rs. 4,856,159/- . The company recorded a net loss of Rs.2,121,572/- for the period ended December 31, 2016 as compared to net profit of Rs. 7,871,043 for the same period of last year.

The Auditors have placed a matter of emphasis paragraph regarding preparation of interim financial statements on going concern basis. Management is of the view that there is no significant doubt about the company's ability to continue as going concern as company has no intention of winding up. Further the operating revenue increased during the current half year period from previous one and Company has sufficient current assets to settle its current liabilities. Moreover, the Company is expecting increase in trading activities due to recent agreement executed between Chinese consortium and Pakistan Stock Exchange Limited for purchase of forty percent share of PSX., which will result in increase of brokerage revenue of the Company.

## **Trust Securities & Brokerage Limited**

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In the end, the Board wishes to place on record its gratitude for the valuable Support made by Company's shareholders, Financial Institutions and our clients during these hard days. We would like to extend our appreciation to continuous guidance of the SECP and Pakistan Stock Exchange Limited.

**Lahore:**  
**February 25, 2017**

**For and on behalf of the Board**

**ABDUL BASIT**  
**CHIEF EXECUTIVE**

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM  
FINANCIAL INFORMATION TO THE MEMBERS*****Introduction***

We have reviewed the accompanying condensed interim balance sheet of **Trust Securities & Brokerage Limited** as at December 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information") for the six months period then ended December 31, 2016. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters December 31, 2016 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2016.

***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 information 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 information is not prepared, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

***Emphasis of Matter***

We draw attention to the Note 1.2 to the condensed interim financial statements. As stated in the note, as at December 31, 2016 the accumulated losses stood at Rs.91.002 (June 30, 2016 : Rs. 88.880) million. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, this financial information is prepared on going concern basis due to the reasons stated in the note. Our opinion is not qualified in respect of this matter.

**Haroon Zakaria & Company**  
**Chartered Accountants**

**Place:** Karachi  
**Dated:** February 25, 2017

**Engagement Partner:**  
**Muhammad Haroon**

# Trust Securities & Brokerage Limited

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## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2016

	Note	(Un-Audited) December 31, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	5	1,055,923	3,603,295
Intangibles	6	1,542,600	1,542,600
Long term investments	7	2,720,000	2,759,423
Long term deposits	8	525,149	725,149
Deferred taxation	9	-	-
		<b>5,843,672</b>	<b>8,630,467</b>
<b>Current Assets</b>			
Short term investments	10	201,190	695,750
Trade debts	11	4,421,859	4,544,340
Advances, prepayments, deposits and other receivables	12	3,820,321	267,987
Tax refunds due from government	13	1,252,723	879,404
Cash and bank balances	14	23,923,252	18,374,515
		<b>33,619,345</b>	<b>24,761,996</b>
<b>Total Assets</b>		<b>39,463,017</b>	<b>33,392,463</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
10,000,000 Ordinary shares of Rs.10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital		100,000,000	100,000,000
<b>Reserves</b>			
General reserve		3,500,000	3,500,000
Capital reserve		-	27,849
Accumulated losses		(91,001,530)	(88,879,958)
		<b>(87,501,530)</b>	<b>(85,352,109)</b>
<b>Shareholders' Equity</b>		<b>12,498,470</b>	<b>14,647,891</b>
<b>Current Liabilities</b>			
Retirement benefits		1,999,004	1,999,004
Trade and other payables	15	24,965,543	16,745,568
		<b>26,964,547</b>	<b>18,744,572</b>
<b>Contingency and Commitment</b>	16	-	-
<b>Total Equity and Liabilities</b>		<b>39,463,017</b>	<b>33,392,463</b>

The annexed notes form an integral part of these interim financial information

Chief Executive

S/d

Director



# Trust Securities & Brokerage Limited

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## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Note	Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		----- Rupees -----			
Operating revenue	17	4,648,891	2,256,029	2,789,004	1,127,168
Gain on sale of securities		120,885	115,000	52,970	115,000
Loss on re-measurement of investments		(34,118)	-	(820)	-
		4,735,658	2,371,029	2,841,154	1,242,168
Operating and administrative expenses	18	(4,856,159)	(4,232,517)	(2,579,503)	(2,078,425)
Finance cost	19	(6,599)	(4,750)	(3,089)	(1,700)
		(4,862,758)	(4,237,267)	(2,582,592)	(2,080,125)
<b>Operating (Loss) / Profit</b>		<b>(127,100)</b>	<b>(1,866,238)</b>	<b>258,562</b>	<b>(837,957)</b>
Other charges	20	(2,762,707)	(3,284,218)	(2,762,707)	(3,284,218)
Other operating income	21	875,341	13,101,499	452,033	12,855,327
<b>(Loss) / Profit before taxation</b>		<b>(2,014,466)</b>	<b>7,951,043</b>	<b>(2,052,112)</b>	<b>8,733,152</b>
Taxation		(107,106)	(80,000)	(77,106)	(60,000)
<b>(Loss) / Profit after taxation</b>		<b>(2,121,572)</b>	<b>7,871,043</b>	<b>(2,129,218)</b>	<b>8,673,152</b>
<b>(Loss) / Earnings per share - basic and diluted</b>		<b>(0.21)</b>	<b>0.79</b>	<b>(0.21)</b>	<b>0.87</b>

The annexed notes form an integral part of these interim financial information

Chief Executive

S/d

Director

**Trust Securities & Brokerage Limited****TSBL****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	<b>Half year ended</b>		<b>Quarter ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>----- Rupees -----</b>			
(Loss) / Profit after tax for the period	<b>(2,121,572)</b>	7,871,043	<b>(2,129,218)</b>	8,673,152
<b>Other comprehensive income for the period</b>				
<b>Available-for-sale financial assets</b>				
Loss arising due to remeasurement	-	(2,529)	-	(6,148)
<b>Total comprehensive (loss) / profit for the period</b>	<b>(2,121,572)</b>	7,868,514	<b>(2,129,218)</b>	8,667,004

The annexed notes form an integral part of these interim financial information

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**Chief Executive****S/d**

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**Director**

# Trust Securities & Brokerage Limited

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## **CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)** **FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	<b>December 31, 2016 Rupees</b>	<b>December 31, 2015 Rupees</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(2,014,466)	7,951,043
Adjustment for non-cash charges and other items		
Depreciation	69,768	90,599
Provision for doubtful debts	2,762,707	3,284,218
(Gain) on disposal of property and equipment	(884)	-
Loss on remeasurement of investment	34,118	-
	<b>2,865,709</b>	<b>3,374,817</b>
Operating profit before working capital changes	<b>851,243</b>	<b>11,325,860</b>
Changes in Working Capital		
(Increase) /decrease in current assets		
Trade debt s	(2,640,226)	1,543,802
Trade deposits & short term prepayments	(3,352,334)	(68,792)
Increase/ (decrease) in current liabilities		
Trade and other payables	8,219,975	(20,857,033)
	<b>2,227,415</b>	<b>(19,382,023)</b>
Cash generated from / (used in) operations after working capital changes	<b>3,078,658</b>	<b>(8,056,163)</b>
Taxes paid	(480,425)	(138,722)
Long term deposits - net	-	200,000
	<b>(480,425)</b>	<b>61,278</b>
Net cash generated from / (used in) operating activities	<b>2,598,233</b>	<b>(7,994,885)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal / (addition) to capital work in progress	2,467,608	(77,817)
Proceed from disposal of property and equipment	10,880	-
Disposal of investment - net	472,016	2,385,000
Net cash generated from investing activities	<b>2,950,504</b>	<b>2,307,183</b>
Net increase / (decrease) in cash and cash equivalents (A+B)	<b>5,548,737</b>	<b>(5,687,702)</b>
Cash and cash equivalents at the beginning of the period	<b>18,374,515</b>	<b>25,332,606</b>
Cash and cash equivalents at the end of the period	<b>23,923,252</b>	<b>19,644,904</b>

The annexed notes form an integral part of these interim financial information

Chief Executive

S/d

Director

The annexed notes form an integral part of these interim financial information

**Director**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

**1 THE COMPANY AND ITS OPERATION**

The Company was incorporated as a Public Limited Company on October 19, 1993 in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 2nd Floor, Associated House, Building 1 & 2, 7 - Kashmir Road, Lahore. The Company is principally engaged in shares brokerage and in securities.

**1.2 Going Concern Assumption**

The operating losses of the Company for the current period are Rs. 0.127 (December 2015 : Rs.1.866) million and the accumulated losses stood at Rs. 91.002 (June 2016 : Rs. 88.880) million. These factors indicate the existence of material uncertainty and creates doubts about the Company's ability to continue as going concern and, therefore the Company may not be able to realize its assets and discharge its liabilities at the stated amount. However, during the current half year period, the operating revenue increased from previous half year and Company has sufficient current assets to settle its current liabilities. Further, the Company is expecting increase in trading activities due to recent agreement executed between Chinese consortium and Pakistan Stock Exchange Limited for purchase of forty percent share of PSX., which will result in increase of brokerage revenue of the Company. Owing to these factors, these financial statements are prepared on going concern basis.

**2 BASIS OF PREPARATION****2.1 Statement of Compliance**

This condensed interim financial report of the company for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are unaudited but subject to limited scope review by auditors. These condensed interim financial statements 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, 2016.

**2.2 Functional and Presentation Currency**

These condensed interim financial statements have been presented in Pak Rupees, which is the functional currency of the Company.

**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, 2016.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

## 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, 2016.

## 5 PROPERTY AND EQUIPMENTS

	Note	(Un-Audited) December 2016 Rupees	(Audited) June 30, 2016 Rupees
Operating fixed assets	5.1	1,055,923	1,135,687
<b>Capital work-in-progress</b>			
Against office of LSE Financial Services Limited - (Formerly: Lahore Stock Exchange Limited)	5.2	-	2,467,608
		<b>1,055,923</b>	<b>3,603,295</b>
<b>5.1 Operating fixed assets</b>			
Opening written down value		1,135,687	1,278,551
Addition during the period		-	310,000
Disposals during the period		(32,125)	(1,216,600)
Depreciation charge on disposal		22,129	937,740
Depreciation charge for the period		(69,768)	(174,004)
		<b>1,055,923</b>	<b>1,135,687</b>

**5.2** The Company entered into agreement to sale the office at LSE Financial Services. The legal formalities for transfer is not yet completed.

## 6 INTANGIBLES

<b>Trading Rights Entitlement Certificate (TREC)</b>			
Pakistan Stock Exchange Limited		1,280,000	1,280,000
<b>Offices</b>			
LSE Financial Services Limited (LFSL)		262,600	262,600
		<b>1,542,600</b>	<b>1,542,600</b>

**7 LONG TERM INVESTMENTS**

**- At Cost - In Shares of Unquoted Company**

				<b>Carrying Value</b>	
<b>(Un-Audited)</b>	<b>(Audited)</b>	<b>Name of Company</b>	<b>Note</b>	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>December 31,</b>	<b>June 30,</b>			<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>			<b>2016</b>	<b>2016</b>
<b>Number of Shares</b>				<b>Rupees</b>	<b>Rupees</b>
843,975	843,975	LSE Financial Services Limited (Formerly: Lahore Stock Exchange Limited -LSEL)	7.1	2,720,000	2,720,000

**- Available for sale - In Shares of Quoted Companies**

<b>(Un-Audited)</b>	<b>(Audited)</b>	<b>Name of Company</b>		
<b>December</b>	<b>June 30,</b>			
<b>2016</b>	<b>2016</b>			
<b>Number of shares</b>				
-	36,168	Invest Capital Investment Bank Ltd.	-	39,423
5,000	5,000	Sunshine Cotton Mills Ltd.	1,650	1,650
			1,650	41,073
		Provision for Impairment	(1,650)	(1,650)
			2,720,000	2,759,423

- 7.1** This represents unquoted shares of LSE financial services received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 843,975 shares of LSE Financial Services Limited (formerly LSEL), with a face value of RS 10 each. Out of total number of shares owned, 60% shares of the said entities are held in separate CDC blocked Account, to restrict the sale of these shares by the members. Whereas stock exchanges will dispose of these shares under the Demutualization Act, however the proceeds of these shares and right to dividend/bonus is vested with the Company whereas the voting rights attached to these shares are suspended.

<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>
<b>Rupees</b>	<b>Rupees</b>

**8 LONG TERM DEPOSITS**

**- Unsecured - Considered good**

LSE Financial Service Limited	50,000	50,000
National Clearing Company of Pakistan Limited	300,000	500,000
Utility deposits	175,149	175,149
	525,149	725,149

# Trust Securities & Brokerage Limited

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## 9 DEFERRED TAXATION

The company has not recognized deferred tax asset amounting Rs. 22.60 (June 2016 : Rs.16.37) million due to uncertainty regarding taxable profits is foreseeable future against which the deferred tax asset can be utilized or adjusted.

## 10 SHORT TERM INVESTMENT

- At fair value through profit or loss - Initially designated

		(Un-Audited) December 31, 2016 Rupees	(Audited) June 30, 2016 Rupees
Note			
	In shares of quoted company	10.1 177,340	671,900
	In shares of unquoted company	10.2 23,850	23,850
		<u>201,190</u>	<u>695,750</u>

### 10.1 In shares of quoted company

(Un-Audited) December 31, 2016	(Audited) June 30, 2016		
Number of Shares		Name of Securities	
2,000	-	Fauji Foods Limited	177,340
-	10,000	Mughal Iron & Steel Industries Limited	-
			671,900
			<u>177,340</u>

### 10.2 In shares of unquoted company - Related party

(Un-Audited) December 2016	(Audited) June 30, 2016		
Number of shares		Name of Company	
5,000	5,000	Takaful Pakistan Limited	60,000
		Less: Provision for impairment	(36,150)
			<u>23,850</u>

## 11 TRADE DEBTS

Considered good		4,421,859	4,544,340
Considered doubtful		55,098,615	52,537,467
		<u>59,520,474</u>	<u>57,081,807</u>
Provision for doubtful receivables	11.1	(55,098,615)	(52,537,467)
		<u>4,421,859</u>	<u>4,544,340</u>



# Trust Securities & Brokerage Limited

**TSBL**

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
<b>Note</b>		
<b>11.1 Provision for doubtful receivables</b>		
Balance at beginning of the period	52,537,467	64,322,362
Additional provision made during the period	2,762,707	973,405
	55,300,174	65,295,767
Reversal of excess provision	(201,559)	(12,758,300)
Balance at end of the period	55,098,615	52,537,467

## 11.2 Clients securities pledged

The total value of securities pertaining to clients are Rs. 278.914 million held in sub-accounts of the company. No security is pledged by client to the financial institutions except for NCCPL amounting to Rs. 5.316 million for exposure.

**11.3** The Company has made provision for all trade debtors where collaterals are not held. Value of collaterals are adjusted against value at risk define by NCCPL.

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2016</i> <i>Rupees</i>
<b>Note</b>		
<b>12 ADVANCES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES</b>		
- Considered good		
Advances to staff	39,000	121,000
Short term prepayments	210,889	42,898
Exposure deposits with NCCPL	3,500,000	-
Other receivables	70,432	104,089
	3,820,321	267,987
<b>13 TAX REFUNDS DUE FROM GOVERNMENT</b>		
Opening tax refundable	879,404	673,317
Provision for the period	(107,106)	(119,933)
	772,298	553,384
Tax paid during the period	480,425	326,020
	1,252,723	879,404
<b>14 CASH AND BANK BALANCES</b>		
Cash in hand	5,267	3,410
<b>Cash at banks</b>		
In current accounts	4,308,780	3,299,542
In saving account	19,609,205	15,071,563
14.1	23,917,985	18,371,105
	23,923,252	18,374,515

# Trust Securities & Brokerage Limited

**TSBL**

	<i>(Un-Audited)</i> <b>December 31,</b> <b>2016</b> <i>Rupees</i>	<i>(Audited)</i> <b>June 30,</b> <b>2016</b> <i>Rupees</i>
<b>14.1 Balance pertaining to</b>		
- clients	<b>19,606,432</b>	15,140,457
- brokerage house	<b>4,311,553</b>	3,230,648
	<b>23,917,985</b>	18,371,105

## 15 TRADE AND OTHER PAYABLES

Trade creditors	<b>23,106,434</b>	15,124,897
Accrued and other liabilities	<b>1,859,109</b>	1,620,671
	<b>24,965,543</b>	16,745,568

## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2016.

### 16.2 Commitments

	<i>(Un-Audited)</i> <b>December</b> <b>2016</b> <i>Rupees</i>	<i>(Audited)</i> <b>June 30,</b> <b>2016</b> <i>Rupees</i>
For purchase of shares	<b>12,420,210</b>	5,475,535
For sale of shares	<b>7,321,049</b>	4,884,351

<i>(Un-Audited)</i> <b>Half year ended</b>	<i>(Un-Audited)</i> <b>2nd Quarter ended</b>
<b>December 31, 2016</b>	<b>December 31, 2016</b>
<b>December 31, 2015</b>	<b>December 31, 2015</b>
<b>----- Rupees -----</b>	

## 17 OPERATING REVENUE

<b>Brokerage Income</b>				
- Retail customers	<b>4,134,873</b>	1,589,338	<b>2,323,016</b>	492,722
- Institutional customers	<b>92,030</b>	33,455	<b>44,000</b>	1,210
	<b>4,226,903</b>	1,622,793	<b>2,367,016</b>	493,932
Brokerage income from initial public offers	-	255	-	255
Dividend income	<b>421,988</b>	632,981	<b>421,988</b>	632,981
	<b>4,648,891</b>	2,256,029	<b>2,789,004</b>	1,127,168

# Trust Securities & Brokerage Limited

**TSBL**

	<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
	<i>December 31,</i> <i>2016</i>	<i>December 31,</i> <i>2015</i>	<i>December 31,</i> <i>2016</i>	<i>December 31,</i> <i>2015</i>
	<i>----- Rupees -----</i>			
<b>18 OPERATING AND ADMINISTRATIVE EXPENSES</b>				
Salaries, benefits and allowances	2,743,349	2,439,181	1,432,122	1,184,384
Directors/CEO salary/remuneration	-	5,000	-	-
Commission and Clearing house charges	103,653	19,194	53,973	6,933
Communication expenses	159,284	140,953	84,793	70,198
Printing and stationery	79,118	51,414	61,861	35,115
Entertainment expense	58,332	70,711	32,527	37,206
Traveling and lodging expense	64,840	35,776	58,160	17,846
Repair and maintenance	189,920	248,518	71,465	115,007
Advertisement and sale promotion	17,800	17,000	17,800	17,000
Electricity and utilities	178,127	153,882	82,996	61,465
Insurance	6,318	25,509	3,176	12,291
Depreciation	69,768	90,599	34,842	45,300
Internet and software maintenance charges	104,291	109,092	101,490	70,242
Legal and professional charges	124,974	54,796	71,409	29,842
Fees and subscriptions	239,617	149,514	109,561	59,975
Rent, rates and taxes	458,202	406,487	228,189	209,810
Auditors remuneration	170,000	137,500	85,000	68,750
Miscellaneous expense	88,566	77,391	50,139	37,061
	<b>4,856,159</b>	<b>4,232,517</b>	<b>2,579,503</b>	<b>2,078,425</b>
<b>19 FINANCE COST</b>				
Bank charges	6,599	4,750	3,089	1,700
<b>20 OTHER CHARGES</b>				
Provision for doubtful debts	2,762,707	3,284,218	2,762,707	3,284,218
<b>21 OTHER OPERATING INCOME</b>				
<b>Income from financial assets</b>				
- Interest on saving account	644,813	343,199	361,129	97,027
- Interest income on exposure deposited	28,085	-	24,541	-
	672,898	343,199	385,670	97,027
<b>Income from other than financial assets</b>				
- Gain on sale of fixed assets	884	-	-	-
- Reversal of provision for doubtful debts	201,559	12,758,300	66,363	12,758,300
	202,443	12,758,300	66,363	12,758,300
	875,341	13,101,499	452,033	12,855,327

**22 PATTERN OF SHAREHOLDINGS**

Following are the shareholders having more than 5% holding as at December 31, 2016:

<i>Sr. No.</i>	<i>Name of Shareholder</i>	<i>No. of Shares Held</i>	<i>Percentage %</i>
	<b>Associated, undertakings &amp; related parties</b>		
1	Emirates Global Investment Limited	<b>3,777,375</b>	37.77
2	Emirates Investment Group LLC.	<b>3,627,375</b>	36.27
	<b>Total</b>	<b>7,404,750</b>	74.05

**23 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.

Transactions with associated undertakings and key management personnel under the term of their employment, are as follows:

	<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
	<i>December 31, 2016</i>	<i>December 31, 2015</i>	<i>December 31, 2016</i>	<i>December 31, 2015</i>
	<i>----- Rupees -----</i>			
<b>Transactions with other related parties</b>				
Commission paid to Chief Executive	<b>190,717</b>	47,792	<b>117,810</b>	12,086
Commission received from Chief Executive	<b>23,120</b>	10,050	<b>11,160</b>	3,300
Commission received from Director	-	1,500	-	175
Salary drawn by Chief Executive	<b>679,876</b>	656,570	<b>351,591</b>	328,285
Expenses incurred by the Chief Executive	<b>102,410</b>	82,956	<b>40,810</b>	42,115
Fee paid to director for attending meeting	-	5,000	-	-
Disposal of fixed asset to Ex-Director	<b>2,800,000</b>	-	<b>2,800,000</b>	-

**23.1** No remuneration is paid to the Directors other than Chief Executive of the Company.

**24 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on February 25, 2017.

**25 GENERAL**

Figures have been rounded off to the nearest rupee.

**Chief Executive**

**S/d**

**Director**

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**Registered Office:**

2nd Floor, Associated House, Building # 1 & 2,  
7-Kashmir Road, Lahore-54000 (PAKISTAN).

Tele: (92-42) 3637 3041-43

Fax: (92-42) 3637 3040    Website: [www.trustsecu.com](http://www.trustsecu.com)

Email: [info@trustsecu.com](mailto:info@trustsecu.com) & [tsbl@brain.net.pk](mailto:tsbl@brain.net.pk)

**Office at LSE Financial Services Limited** (Formerly: Lahore Stock Exchange Limited)

Room # 607, 6th Floor, LSE Plaza,  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore-54000 (PAKISTAN).

Telephone: (92-42) 3637 4710 & 3630 0181