

First Quarter Report
September 30, 2018
(Un-Audited)

TSBL

Trust Securities & Brokerage Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Muhammad Khurram Faraz (Chairman)	Non-Executive Director
Mr. Abdul Basit (Chief Executive)	Executive Director
Mr. Junaid Shehzad Ahmad	Independent Non-Executive Director
Mr. Khizer Hayat Farooq	Independent Non-Executive Director
Mr. Muhammad Ahmad	Executive Director
Mr. Muhammad Talha Razi	Non-Executive Director
Mr. Muhammad Ashraf	Non-Executive Director

AUDIT COMMITTEE:

Mr. Junaid Shehzad Ahmad	Chairman
Mr. Khizer Hayat Farooq	Member
Mr. Muhammad Talha Razi	Member

H.R & REMUNERATION COMMITTEE:

Mr. Khizer Hayat Farooq	Chairman
Mr. Muhammad Ashraf	Member
Mr. Abdul Basit	Member

COMPANY SECRETARY:

Mr. Syed Maqsood Ahmad

CHIEF FINANCIAL OFFICER:

Mr. Muhammad Ahmad

AUDITORS:

Reanda Haroon Zakaria & Company
Chartered Accountants

INTERNAL AUDITORS:

Muhammad Adnan Siddiqui
Chartered Accountant

LEGAL ADVISORS:

Mr. Abdul Majeed
Advocate

SHARE REGISTRAR:

Hameed Majeed Associates (Pvt.) Ltd.
H.M.House, 7-Bank Square, Lahore
Telephone: (92-42) 37235081-82 Fax: (92-42) 37358817

BANKERS:

Habib Bank Limited
J.S. Bank Limited
Habib Metropolitan Bank Limited
Bank Alfalah Limited
MCB Bank Limited
Al-Baraka Bank (Pakistan) Limited

REGISTERED OFFICE:

Suite No. 401 & 402,
4th Floor, Business & Finance Centre,
I.I. Chundrigar Road, Karachi (Pakistan)
UAN: (92-21)111000-875, Tel: (92-21)32469044-48, Fax: (92-21) 32467660

BRANCH OFFICE KARACHI:

Room No. 202 & 203, 2nd Floor, PSX New Building
Stock Exchange Road, Karachi (Pakistan)
Tel: (92-21) 3246016 -18

BRANCH OFFICE LAHORE:

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

Website: www.tsbl.com.pk

Email: info@tsbl.com.pk

DIRECTORS' REVIEW

We are pleased to present the Interim Accounts of Trust Securities and Brokerage Limited for the quarter ended September 30, 2018.

Following is the summary of the company's financial performance during the quarter:

	Quarter Ended 30-Sep-2018	Quarter Ended 30-Sep-2017
 Rupee	
Revenue	4,944,305	1,006,407
Profit/(Loss) after tax	(5,511,547)	(1,010,795)
Loss per share	(0.184)	(0.101)

COMPANY PERFORMANCE REVIEW

The company incurred a net loss of PKR 5.5 million for the first quarter ended September 30, 2018 vis-à-vis a net loss of PKR 1.0 million in the comparative period last year. Operating loss of the company increased from PKR 1.3 million in the first quarter 2017 to PKR 7.6 million in the first quarter 2018. The company's operating and administrative expenses increased from PKR 2.2 million in the firstquarter 2017 to PKR 12.5 million in 2018 on account of streamlining the business processes. The loss per share (LPS) of the company for the period stood at PKR (0.18) against the loss per share (LPS) of PKR (0.10) for the corresponding period last year. The increase in losses of the company is directly attributable to significantly lower volumes at the bourse during the period under consideration as compared to the same period last year. Further, the change in tax regime during the first half of the financial year has also impacted the bottom-line. These were all market-related factors whereas the company managed to hold its ground vis-à-vis market share despite all the challenges. Going forward, as volumes at the bourse will improve, the company is confident that its market share will expand, along with the financial performance.

Despite ongoing market-related challenges and the country's political and economic condition, the Company is focused on improving its growth outlook in the long run. Management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage and fee-based operations along with strategic branch expansion.

ACKNOWLEDGEMENT

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

Karachi
October 30, 2018

Sd/-
ABDUL BASIT
Chief Executive Officer

Trust Securities & Brokerage Limited

TSBL

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2018

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
	Note	----- Rupees -----	
ASSETS			
Non-Current Assets			
Property and equipment	5	11,220,191	1,912,030
Intangibles	6	6,042,600	4,042,600
Long term investments	7	2,720,000	2,720,000
Long term deposits	8	1,825,149	1,825,149
		21,807,940	10,499,779
Current Assets			
Short term investments	9	272,240	288,240
Trade debts	10	37,373,074	20,585,123
Receivable from Margin Financing	11	42,161,423	9,661,801
Advances, prepayments and other receivables	12	79,387,247	54,610,033
Tax refunds due from government	13	3,221,635	2,364,431
Cash and bank balances	14	46,381,620	125,272,660
		208,797,239	212,782,288
Total Assets		230,605,179	223,282,067
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
75,000,000 ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital			
30,000,000 ordinary shares of Rs.10/- each	15	300,000,000	300,000,000
Reserves			
Accumulated losses		(111,834,796)	(106,323,250)
Shareholders' Equity		188,165,204	193,676,750
Current Liabilities			
Retirement benefits	17	1,816,473	1,816,473
Trade and other payables	18	31,723,502	18,888,844
Subordinated Loan	16	8,900,000	8,900,000
		42,439,975	29,605,317
Contingency and Commitments	19	-	-
Total Equity and Liabilities		230,605,179	223,282,067

The annexed notes form an integral part of these financial statements.

Sd/-

Chief Executive

Sd/-

Director

Sd/-

Chief Financial Officer

Trust Securities & Brokerage Limited

TSBL

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

		(Un-audited) First quarter ended September 30, 2018	(Un-audited) First quarter ended September 30, 2017
	Note	----- Rupees -----	
Operating revenue	20	4,944,305	1,006,407
Gain on sale of securities		-	-
(Loss) on re-measurement of investments		(16,000)	(94,461)
		<u>4,928,306</u>	<u>911,946</u>
Operating and administrative expenses	21	(12,542,755)	(2,227,357)
Finance cost	22	(3,730)	(4,315)
		<u>(12,546,485)</u>	<u>(2,231,672)</u>
Operating (loss)		(7,618,179)	(1,319,726)
Other charges	23	-	(50,237)
Other income	24	2,106,632	374,168
(Loss) before taxation		(5,511,547)	(995,795)
Taxation		-	(15,000)
(Loss) after taxation		(5,511,547)	(1,010,795)
(Loss) per share - basic and diluted		(0.184)	(0.101)

The annexed notes form an integral part of these financial statements.

Sd/-

Chief Executive

Sd/-

Director

Sd/-

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	(Un-audited) First quarter ended September 30, 2018	(Un-audited) First quarter ended September 30, 2017
----- Rupees -----		
(Loss) for the first quarter	(5,511,547)	(1,010,795)
Other comprehensive income :		
Items that will be reclassified to profit & loss account in subsequent period		
Available-for-sale financial assets		
Gain arising due to remeasurement	-	-
Total comprehensive (Loss) for the first quarter	(5,511,547)	(1,010,795)

The annexed notes form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	Reserves					Shareholders' Equity
	Share Capital	Capital	Revenue		Grand Total	
		Fair Value Reserve	General Reserve	Accumulated		
			Losses			
100,000,000	-	-	(87,969,799)	(87,969,799)	(87,969,799)	12,030,201
	-	-	(1,010,795)	(1,010,795)	(1,010,795)	(1,010,795)
	-	-	-	-	-	-
	-	-	(1,010,795)	(1,010,795)	(1,010,795)	(1,010,795)
100,000,000	-	-	(88,980,594)	(88,980,594)	(88,980,594)	11,019,406
300,000,000	-	-	(106,323,250)	(106,323,250)	(106,323,250)	193,676,750
	-	-	(5,511,547)	(5,511,547)	(5,511,547)	(5,511,547)
	-	-	-	-	-	-
	-	-	(5,511,547)	(5,511,547)	(5,511,547)	(5,511,547)
300,000,000	-	-	(111,834,797)	(111,834,797)	(111,834,797)	188,165,203

Balance as at June 30, 2017

Total comprehensive profit / (loss) for the first quarter

Profit / (loss) for the first quarter ended September 30, 2017

Other Comprehensive Income

Gain / (loss) arises due to remeasurement of investments

Total comprehensive (loss) for the first quarter ended September 30, 2017

Balance as at September 30, 2017

Balance as at June 30, 2018.

Total comprehensive profit / (loss) for the first quarter

(loss) for the first quarter ended September 30, 2018

Other Comprehensive Income

Gain / (loss) arises due to remeasurement of investments

Total comprehensive (loss) for the first quarter ended September 30, 2018

Balance as at September 30, 2018

Sd/-

Chief Executive

Sd/-

Director

Sd/-

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

	(Un-audited) First quarter ended September 30, 2018	(Un-audited) First quarter ended September 30, 2017
----- Rupees -----		
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(5,511,547)	(995,795)
Adjustment for non-cash charges and other items		
Depreciation	149,605	33,285
Provision for Doubtful Debt	-	50,237
Finance cost	3,730	-
Reversal of provision for doubtful debts	(48,403)	(184,195)
Interest income on exposure deposited	(107,202)	-
Unrealised loss on remeasurement of investments	16,000	94,461
	13,730	(6,212)
Operating (loss) before working capital changes	(5,497,817)	(1,002,007)
Changes in Working Capital :		
(Increase) / decrease in current assets		
Trade debts	(16,787,951)	(60,498)
Advances, prepayments and other receivables	(24,777,214)	303,232
	(41,565,165)	242,734
Increase / (decrease) in current liabilities		
Trade and other payables	12,834,658	29,472,645
Cash (used in) /generated from operations after working capital changes	(34,228,324)	28,713,372
Taxes paid	(851,203)	(87,771)
Finance cost paid	(3,730)	-
Payment of employees compensated absences	-	(167,351)
	(854,933)	(255,122)
Net cash (used in) / generated from operating activities	(35,083,257)	28,458,250
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,308,161)	-
Purchase of intangibles	(2,000,000)	-
Investments-net	(32,499,622)	-
Net cash (used in) / generated from investing activities	(43,807,783)	-
Net (decrease) /increase in cash and cash equivalents (A+B)	(78,891,040)	28,458,250
Cash and cash equivalents at the beginning of the period	125,272,660	21,530,797
Cash and cash equivalents at the end of the period	46,381,620	49,989,047

The annexed notes form an integral part of these financial statements.

Sd/-

Chief Executive

Sd/-

Director

Sd/-

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

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 Suite No. 401-402, 4th floor, Business and Finance Center, I.I Chundrigar 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.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements are unaudited do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2018 has been prepared on the settlement date basis.

2.2 Functional and Presentation Currency

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018.

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, 2018.

		(Un-audited)	Audited
		First quarter ended September 30, 2018	Year ended June 30, 2018
	Note	----- Rupees -----	
5 PROPERTY AND EQUIPMENTS			
Property and equipment	5.1	9,540,191	1,512,030
Capital Work in Progress		1,680,000	400,000
		<u>11,220,191</u>	<u>1,912,030</u>
5.1) Property and equipment			
Opening written down value		1,512,030	1,035,402
Total additions during the period		8,177,766	649,187
Total disposals during the period		-	-
Depreciation charge for the period		(149,605)	(172,559)
Depreciation charged on disposal		-	-
Closing written down value		<u>9,540,191</u>	<u>1,512,030</u>

		(Un-audited)	Audited
		First quarter ended September 30, 2018	Year ended June 30, 2018
	Note	----- Rupees -----	
6 INTANGIBLES			
Trading Rights Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited	6.1 & 6.2	1,280,000	1,280,000
Offices			
LSE Financial Services Limited (LFSL)	6.3	262,600	262,600
Pakistan Mercantile Exchange Limited.		2,500,000	2,500,000
Software		2,000,000	-
		<u>6,042,600</u>	<u>4,042,600</u>

6.1) 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.

6.2) This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.

6.3) 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.

7 LONG TERM INVESTMENTS

September 30, 2018	June 30, 2018	Name of Securities	Note	(Un-audited)	Audited
				First quarter ended September 30, 2018	Year ended June 30, 2018
Number of Shares				----- Rupees -----	
In shares of Un-quoted company - At cost					
843,975	843,975	LSE Financial Services Limited	7.1	2,720,000	2,720,000
Available for sale - In shares of quoted companies					
5,000	5,000	Sunshine Cotton Mills Limited		1,650	1,650
		Provision for impairment		(1,650)	(1,650)
				-	-
				<u>2,720,000</u>	<u>2,720,000</u>

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

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

The net asset value of shares of LSE financial service limited Rs. 18.23 per share. This is based on un-audited financial statements for the period ended March 31, 2018.

(Un-Audited)	Audited
First quarter ended September 30, 2018	Year ended June 30, 2018
----- Rupees -----	

8 LONG TERM DEPOSITS

Unsecured - Considered good

LSE Financial Services Limited	50,000	50,000
National Clearing Company of Pakistan Limited	1,500,000	1,500,000
Central Depository Company of Pakistan Limited	100,000	100,000
Utility deposits	175,149	175,149
	<u>1,825,149</u>	<u>1,825,149</u>

9 SHORT TERM INVESTMENTS

At fair value through profit or loss - Initially designated

September 30, 2018	June 30, 2018	Name of Securities	Note	(Un-audited)	Audited
				First quarter ended September 30, 2018	Year ended June 30, 2018
Number of Shares				----- Rupees -----	
In shares of quoted company					
2,000	2,000	Fauji Foods Limited		242,240	258,240
In shares of unquoted company					
5,000	5,000	Takaful Pakistan Limited - related party		30,000	60,000
		Less: Provision for impairment		-	(30,000)
				<u>30,000</u>	<u>30,000</u>
				<u>272,240</u>	<u>288,240</u>

Trust Securities & Brokerage Limited

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This represents investment in fully paid ordinary shares of Takaful Pakistan Limited. The break-up value is Rs. 6.23 per share based on un audited financial statements for the period ended March 31, 2018.

	Note	(Un-audited)	Audited
		First quarter ended September 30, 2018	Year ended June 30, 2018
----- Rupees -----			
10 TRADE DEBTS			
Considered good		36,031,049	20,585,123
Considered doubtful		55,192,064	53,898,442
		91,223,113	74,483,565
Provision for doubtful debts	10.1	(53,850,039)	(53,898,442)
		37,373,074	20,585,123

	Note	(Un-audited)	(Audited)
		First quarter ended September 30, 2018	Year ended June 30, 2018
----- Rupees -----			
10.1) Provision for doubtful debts			
Balance at beginning of the period		53,898,442	54,324,615
Provision made during the period		-	80,739
		53,898,442	54,405,354
Reversal of excess provision		(48,403)	(506,912)
Considered bad debts written off		-	-
		53,850,039	53,898,442

10.2) Clients securities pledged

The total value of securities pertaining to clients are Rs. 249.757 million (June 30, 2018 Rs.151.883 million) held in sub-accounts of the company. No security is pledged by client to the financial institutions except with NCCPL of amounting Rs. 7.156 million against Future exposure demand.

10.3) Aging analysis

The aging analysis of trade debts is as follows:

Note	As at September 30, 2018		As at June 30, 2018	
	Amount	Custody value	Amount	Custody value
	-----Rupees-----		-----Rupees-----	
Upto fourteen days	36,031,049	193,624,439	19,378,723	123,965,385
More than fourteen days	55,192,064	1,342,025	55,104,842	27,918,521
	91,223,113	194,966,463	74,483,565	151,883,906

10.4) Adequate provision of Rs. 53.850 million (June 30, 2018: 53.898 million) has been provided in respect of amount due from customers for more than fourteen days against which collateral securities are held after applying haircut margin.

11 RECEIVABLES FROM MARGIN FINANCING

Note	(Un-audited)	(Audited)
	First quarter ended September 30, 2018	Year ended June 30, 2018
	----- Rupees -----	
	42,161,423.22	9,661,801.00

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 75% and charging markup upto the rate of 14% fixed rate.

12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

- Considered good

	Note	(Un-audited) First quarter ended September 30, 2018	(Audited) Year ended June 30, 2018
Advances to staff		2,014,027	691,000
Exposure deposit with NCCPL	12.1	76,986,395	37,804,175
Short term prepayments		371,825	561,825
Other receivables		15,000	553,033
Advance for purchase of fixed Assets		-	15,000,000
		<u>79,387,247</u>	<u>54,610,033</u>

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

13 TAX REFUNDS DUE FROM GOVERNMENT

- Considered good

	Note	(Un-audited) First quarter ended September 30, 2018	(Audited) Year ended June 30, 2018
Sales Tax Refundable		246,358	566,811
		----- Rupees -----	
Opening tax refund		1,240,742	1,609,204
Provision for the period		-	(368,462)
		1,240,742	1,240,742
Tax paid during the period		1,734,535	556,878
		<u>3,221,635</u>	<u>2,364,431</u>

	Note	(Un-audited)	(Audited)
		First quarter ended September 30, 2018	Year ended June 30, 2018
----- Rupees -----			
14 CASH AND BANK BALANCES			
Cash in Hand		361,194	27,195
Cash at banks			
In Current account		40,641,409	115,174,744
In saving account		5,379,017	10,070,721
	14.1	<u>46,020,426</u>	<u>125,245,465</u>
		<u>46,381,620</u>	<u>125,272,660</u>
14.1) Balance pertaining to			
- clients		21,025,208	24,561,273
- brokerage house		24,995,218	100,684,192
		<u>46,020,426</u>	<u>125,245,465</u>

	Note	(Un-audited)	Audited
		First quarter ended September 30, 2018	Year ended June 30, 2018
----- Rupees -----			
15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
		September 30, 2018	June 30, 2018
		Number of Shares	
		<u>30,000,000</u>	<u>30,000,000</u>
	15.1	<u>300,000,000</u>	<u>300,000,000</u>

Ordinary shares of Rs.10 each fully paid in cash

15.1) Pattern of shareholdings

Categorises of Shareholders	As at September 30, 2018		As at June 30, 2018	
	Number of shares held	% of shares held	Number of shares	% of shares held
Associated Companies, Undertakings and Related Parties				
- Mr. Sikander Mahmood	10,606,250	35.3542%	10,606,250	35.35%
- Mr. Junaid Shehzad Ahmed	3,000,000	10.0000%	3,000,000	10.00%
- Nash Advertising (Pvt) Ltd.	1,481,500	4.9383%	1,481,500	4.94%
- Paramount Commodities (Pvt.) Ltd.	5,092,645	16.9755%	5,092,645	16.98%
- Other Institution not more than 5% holding	1,493,101	4.98%	1,493,101	4.9770%
- Other individuals not more than 5% holding	8,326,504	27.76%	8,326,504	27.7550%
	<u>30,000,000</u>	<u>100.0000%</u>	<u>30,000,000</u>	<u>100.0000%</u>

16 SUBORDINATED LOAN

This represents interest free loan obtained from sponsors and is unsecured. The purpose of this loan when issued is to meet capital requirements of the company. The Company has initially recognized the subordinated loan in accordance with Technical Release - 32, 'Accounting Directors Loan' issued by Institute of Chartered Accountants of Pakistan (ICAP) at amortized cost. However, the Company has obtained permission from the Securities and Exchange Commission of Pakistan for early repayment of the said loan, accordingly the loan is remeasured at face value.

	Note	
	(Un-audited) First quarter ended September 30, 2018	(Audited) Year ended June 30, 2018
----- Rupees -----		
17 RETIREMENT BENEFITS		
Employees compensated absences	1,816,473	1,816,473
18 TRADE AND OTHER PAYABLES		
Trade creditors	15,525,405	12,260,755
Accrued Liabilities	2,502,630	4,432,197
Other liabilities	13,695,467	2,195,892
	<u>31,723,502</u>	<u>18,888,844</u>

19 CONTINGENCY AND COMMITMENTS

Contingencies

The Company is defending an appeal filed with the Honorable Supreme Court of Pakistan against the order passed by the Divisional Bench of Lahore High Court in favour of the Company against defamation claim of Rs.5 million. The Company is confident of a favourable out come and accordingly no provision for the aforesaid amount has been made in these financial statements.

	Note	
	(Un-audited) First quarter ended September 30, 2018	(Audited) Year ended June 30, 2018
----- Rupees -----		
Commitments		
For purchase of shares	258,189,603	47,066,401
For sale of shares	252,601,990	66,900,508

20 OPERATING REVENUE

Brokerage income from :

	(Un-audited) First quarter ended September 30, 2018	(Un-audited) First quarter ended September 30, 2017
- Retail customers	4,543,060	612,470
- Institutional customers	401,245	393,937
	<u>4,944,305</u>	<u>1,006,407</u>

	(Un-audited)	
	First quarter ended September 30, 2018	First quarter ended September 30, 2017
Note		
	----- Rupees -----	
21 OPERATING AND ADMINISTRATIVE EXPENSES		
Salaries, benefits and allowances	7,363,975	1,209,818
Commission and Clearing house charges	1,330,341	20,412
Communication expenses	218,395	52,776
Printing and stationery	129,494	18,358
Entertainment expense	411,663	43,759
Traveling & Lodging expense	75,956	23,110
Repair and maintenance	271,340	78,806
Advertisement and sale promotion	-	26,000
Electricity and utilities	553,749	107,484
Insurance	-	-
Depreciation	149,605	33,285
Internet and software maintenance charges	500,336	79,042
Legal and professional charges	20,730	45,856
Fees and subscriptions	746,786	100,384
Rent, rates and taxes	693,014	238,032
Auditors remuneration	-	83,750
Miscellaneous expense	77,371	66,485
	<u>12,542,755</u>	<u>2,227,357</u>
	(Un-audited)	(Un-audited)
	First quarter ended September 30, 2018	First quarter ended September 30, 2017
Note		
	----- Rupees -----	
22 FINANCE COST		
Bank charges	<u>3,730</u>	<u>4,315</u>
23 OTHER CHARGES		
Provision for doubtful debts	<u>-</u>	<u>50,237</u>
24 OTHER INCOME - Net		
Income from financial assets		
- Interest on saving account	17,780	166,753
- Interest income on exposure deposited	107,202	23,220
- Reversal of provision for doubtful debts	48,403	184,195
	173,384	374,168
Income from other than financial assets		
- Gain / (loss) on sale of fixed assets	-	-
- Other	1,933,248	-
	<u>2,106,632</u>	<u>374,168</u>

25 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 personnels under the term of their employment, are as follows:

Note	(Un-audited)	(Un-audited)
	First quarter ended September 30, 2018	First quarter ended September 30, 2017
	----- Rupees -----	
Transactions with other related parties / associated underakings		
Commission paid to Chief Executive	-	71,238
Commission received from :	-	
- Chief Executive	-	6,330
- Directors	-	1,575
Salary drawn by Chief Executive	376,893	361,744
Expenses incurred by the Chief Executive	43,300	37,084

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on October 30, 2018.

27 GENERAL

27.1) Figures have been rounded off to the nearest rupee.

27.2) Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation with no impact in the net profit/loss or earning/loss of the share of the company.

Sd/-

Chief Executive

Sd/-

Director

Sd/-

Chief Financial Officer



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