



**For The Quarter Ended  
September 30th 2024**

# **COMPANY INFORMATION**

## **Board of Directors:**

Ms. Zenobia Wasif	Chairperson / Director (Non-Executive)
Mr. Abdul Basit	Chief Executive Officer / Director (Executive)
Mr. Muhammad Shayan Ghayas	Director (Executive)
WG CDR. Talat Mahmood (Retd.)	Director (Non-Executive – Independent)
Mr. Khizer Hayat Farooq	Director (Non-Executive – Independent)
Mr. Junaid Shehzad Ahmad	Director (Non-Executive)
Sardar Abdul Majeed Khan	Director (Non-Executive)

## **Chief Financial Officer**

Muhammad Ahmed

## **Company Secretary**

Syed Maqsood Ahmad

## **Audit Committee:**

Mr. Talat Mahmood	Chairman
Mrs. Zenobia Wasif	Member
Mr. Junaid Shehzad Ahmad	Member

## **H.R & Remuneration Committee:**

Mr. Khizer Hayat Farooq	Chairman
Mr. Junaid Shehzad Ahmad	Member
Mr. Muhammad Shayan Ghayas	Member

## **Management Committee ( ML/TF)**

Mr. Talat Mahmood	Chairman
Mr. Muhammad Khurram Faraz	Member
Mr. Muhammad Shayan Ghayas	Member

## **Investment Committee**

Mr. Muhammad Shayan Ghayas	Chairman
Mr. Muhammad Khurram Faraz	Member
Mr. Zeeshan Haroon	Member

## **Risk Management Committee**

Mr. Muhammad Shayan Ghayas	Chairman
Mr. Muhammad Khurram Faraz	Member
Mr. Imran Sheikh	Member

## **I.T. Steering Committee**

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

## **Auditors:**

Reanda Haroon Zakaria Aamir Salman  
Rizwan & Company  
Chartered Accountants

## **Internal Auditors:**

Muhammad Adnan Siddiqui  
Chartered Accountant

## **Share Registrar:**

Hameed Majeed Associates (Pvt.) Ltd.  
H.M. House, 7-Bank Square, Lahore.  
Tel: (92-42) 3723 5081-82, Fax: (92-42) 37358817

## **Legal Advisors:**

HWP LAW

## **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: (021)111-000-875  
Tel: (92-21) 32469044-48, Fax: (021)32467660

## **BRANCH OFFICES – KARACHI**

Room No. 807-808, 8th Floor, PSX Stock Exchange New Building & Room No. 725, 7th Floor, Stock Exchange Main Building  
Stock Exchange Road, Karachi, Pakistan, Tel: (021) 32460161-7, Fax: (021) 32467660

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

## **PSX BRANCH OFFICES – LAHORE**

2<sup>nd</sup> Floor, Associated House, Building No. 1&2, 7-Kashmir Road, Lahore, Tel: (042) 36310241-44, Fax: (042) 36373040

Room No. 607, 6<sup>th</sup> Floor, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: (042) 36300181, 36300554, 36373045, 36374710

## **PMEX BRANCH OFFICES – KARACHI**

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

Mezzanine No. 2, Mezzanine Floor, Plot No. 55-C, 11<sup>th</sup> Commercial Street, DHA, Phase-II Ext., Karachi

House No. D-66, 1st Floor, Block-7, Clifton, Karachi

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

# DIRECTORS' REPORT

For First Quarter Ended 30<sup>th</sup> September, 2024

DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Directors of the company we are please to present the Un-Audited Financial Statements of the company for the First Quarter ended 30<sup>th</sup> September 2024 together with Directors report thereon as per accounting, regulatory and legal requirements.

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

	September 30' 2024	September 30' 2023
Operating Revenue	42,644,246	38,088,470
(Loss) / Profit Before Taxation	(11,696,964)	28,054,034
(Loss) / Profit After Taxation	(6,987,009)	23,779,000

We are pleased to announce the company's financial results for the first quarter ended which has seen an increase in the revenue compared to previous year whereas achieving a net loss and a negative EPS.

The company made a net loss of Rs. 6,987,009 for the first quarter ended 2024 against a net profit of Rs. 23,779,000 in the previous corresponding period i.e. September 30' 2023.

The loss per share for the first quarter ended September 30, 2024 is **(0.23)** which is state contrast to the on-going market performance.

The primary factors resulting in the net loss were the increase in other charges. There were ups and downs in the market due to the ongoing political situation and also the International Commodity Prices which affected the economic growth and higher inflation.

## ACKNOWLEDGMENT

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.

We would like to acknowledge the Securities and Exchange Commission of Pakistan (SECP), Central Depository Company of Pakistan Limited (CDC) and National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) for their efforts to strengthen capital markets and measures to protect investor rights.

*For and on behalf of the Board*



**Abdul Basit**  
Chief Executive Officer



**Zenobia Wasif**  
Chairperson/Director

Karachi:  
October 29, 2024

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024**

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>September, 30</i>	<i>June, 30</i>
		<i>2024</i>	<i>2024</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	5	15,030,593	15,291,159
Right of use assets	6	18,581,345	21,264,286
Intangibles	7	5,119,684	5,188,434
Long term deposits	8	20,796,805	7,596,805
Deferred taxation	9	25,069,502	19,714,317
		<b>84,597,929</b>	<b>69,055,001</b>
<b>Current Assets</b>			
Short term investments	10	17,749,130	18,901,630
Trade debts	11	214,997,822	193,623,448
Receivable against margin finance	12	101,582,570	67,136,442
Advances, deposits and other receivables	13	142,737,258	177,844,561
Tax refunds due from government - net	14	8,710,488	7,645,016
Cash and bank balances	15	47,288,562	173,060,146
		<b>533,065,830</b>	<b>638,211,243</b>
<b>Total Assets</b>		<b>617,663,759</b>	<b>707,266,244</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (2022 : 75,000,000) Ordinary shares Ordinary shares) of Rs. 10 each		<b>750,000,000</b>	<b>750,000,000</b>
Issued, subscribed and paid-up capital	16	<b>300,000,000</b>	300,000,000
<b>Reserves</b>			
Accumulated Profit		<b>56,188,454</b>	63,175,463
<b>Shareholders' Equity</b>		<b>356,188,454</b>	<b>363,175,463</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	17	<b>8,901,332</b>	10,938,133
<b>Current Liabilities</b>			
Trade and other payables	18	<b>195,583,003</b>	255,268,306
Short term borrowings	19	<b>45,553,514</b>	66,383,027
Current portion of lease liabilities	17	<b>8,377,488</b>	8,775,311
Accrued Markup		<b>3,059,967</b>	2,726,004
		<b>252,573,972</b>	<b>333,152,648</b>
<b>Contingency &amp; Commitments</b>	20		
<b>Total Equity and Liabilities</b>		<b>617,663,759</b>	<b>707,266,244</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	<i>Note</i>	<i>(Un-Audited)</i> <i>September, 30</i> <i>2024</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>September, 30</i> <i>2023</i> <i>Rupees</i>
Operating revenue	21	<b>42,644,246</b>	38,088,470
Gain on sale of short term investments		<b>5,718,692</b>	30,309,636
Gain on remeasurement of investments - at FVTPL		<b>1,654,000</b>	1,759,353
Operating and administrative expenses	22	<b>(55,240,993)</b>	(46,658,431)
Finance cost	23	<b>(4,174,086)</b>	(2,490,741)
Other charges	24	<b>(22,296,599)</b>	(1,899,861)
Other income	25	<b>19,997,777</b>	8,945,609
<b>(Loss)/Profit before taxation</b>		<b>(11,696,964)</b>	28,054,034
Taxation	26	<b>4,709,955</b>	(4,275,034)
<b>(Loss)/Profit after taxation</b>		<b>(6,987,009)</b>	23,779,000
<b>(Loss)/ Earning per share - basic and diluted</b>		<b>(0.23)</b>	0.79



*Chief Executive Officer*



*Chief Financial Officer*



*Director*

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
	<i>September, 30</i>	<i>September, 30</i>
	<i>2024</i>	<i>2023</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>(Loss)/Profit for the first quarter</b>	<b>(6,987,009)</b>	<b>233,779,000</b>
<b>Other comprehensive income</b>		
Gain (Loss) on sale of investment through OCI	-	-
<b>Total comprehensive (Loss)/ Profit for the period</b>	<b>(6,987,009)</b>	<b>233,779,000</b>



*Chief Executive Officer*



*Chief Financial Officer*




*Director*

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	<u>Revenue reserve</u>				<i>Shareholders Equity</i>
	<i>Issued, subscribed and paid-up capital</i>	<i>Remeasurement gain of investments fair value through OCI</i>	<i>Accumulated Losses</i>	<i>Sub Total</i>	
----- Rupees -----					
<b>Balance as at June 30, 2022</b>	<b>300,000,000</b>	<b>9,964,944</b>	<b>(20,492,836)</b>	<b>(10,527,892)</b>	<b>289,472,108</b>
<b>Total comprehensive income/ (loss) for the first quarter September 30, 2022</b>					
Profit/ (Loss) for the first quarter	-	-	889,512	889,512	889,512
Other Comprehensive Loss for the first quarter ended S	-	(25,319)	-	(25,319)	(25,319)
Transfer of gain on disposal of investment	-	(9,939,625)	9,939,625	-	-
	-	(9,964,944)	10,829,137	864,193	864,193
Balance as at September 30, 2022	300,000,000	-	(9,663,699)	(9,663,699)	290,336,301
<b>Balance as at June 30, 2023</b>	<b>300,000,000</b>	<b>-</b>	<b>(20,821,880)</b>	<b>(20,821,880)</b>	<b>279,178,120</b>
<b>Total comprehensive income/ (loss) for the first quarter September 30, 2023</b>					
Profit/ (Loss) for the first quarter	-	-	23,779,000	23,779,000	23,779,000
	-	-	23,779,000	23,779,000	23,779,000
Balance as at September 30, 2023	300,000,000	-	2,957,120	2,957,120	302,957,120
<b>Balance as at June 30, 2024</b>	<b>300,000,000</b>	<b>-</b>	<b>63,175,463</b>	<b>63,175,463</b>	<b>363,175,463</b>
<b>Total comprehensive income/ (loss) for the first quarter September 30, 2024</b>					
Profit/ (Loss) for the first quarter	-	-	(6,987,009)	(6,987,009)	(6,987,009)
Transfer of remeasurement gain from FVOCI to unappropriated profit on disposal of investment	-	-	-	-	-
Remeasurement gain of investments - fair value through	-	-	-	-	-
	<b>300,000,000</b>	<b>-</b>	<b>(6,987,009)</b>	<b>(6,987,009)</b>	<b>(6,987,009)</b>
<b>Balance as at September 30, 2024</b>	<b>300,000,000</b>	<b>-</b>	<b>56,188,454</b>	<b>56,188,454</b>	<b>356,188,454</b>



Chief Executive Officer



Chief Financial Officer



Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	<i>(Un-Audited)</i> <i>September,30</i> <i>2024</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>September,30</i> <i>2023</i> <i>Rupees</i>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before income tax and minimum tax differential</b>	<b>(11,696,964)</b>	28,054,034
<b>Adjustment for non-cash charges and other items</b>		
Depreciation on property and equipment	483,752	354,252
Depreciation on right of use assets	2,545,224	2,303,347
Amortization	68,750	68,750
Provision for expected credit losses	22,296,599	1,899,861
Interest income	(15,450,002)	(6,874,989)
Finance cost	3,068,905	2,490,741
Dividend income	-	(91,064)
Interest on lease liabilities	1,105,181	-
Reversal of provision for ECL	(4,547,775)	(1,752,621)
Unrealised (gain) / loss on remeasurement of investment	(1,654,000)	(1,759,353)
	<b>7,916,634</b>	(3,361,075)
	<b>(3,780,330)</b>	24,692,959
<b>Changes in Working Capital:</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	(21,374,374)	(18,873,827)
Tax due from Govt.	1,065,472	1,507,694
Advances, deposits and other receivables	35,107,303	(34,608,967)
	<b>(19,647,727)</b>	(50,504,614)
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	(59,685,303)	25,441,316
<b>Cash generated from / (used in) operations</b>	<b>(83,113,360)</b>	
Taxes paid	(2,255,828)	(4,600,444)
Finance cost paid	(2,726,004)	(1,296,576)
Long term deposits paid during the year	(13,200,000)	-
	<b>(101,295,192)</b>	(5,897,020)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in capital work in progress	-	(64,450)
Addition in right-of-use assets	-	6,919,708
Proceeds from sale of property and equipment	16,944,947	-
Dividend income received	-	91,064
Investments disposed of during the year	(14,890,171)	2,303,925
<b>Net cash generated from investing activities</b>	<b>316,601</b>	9,250,247



	<i>2024</i>	<i>2023</i>
Repayment of short term borrowings	<b>(20,829,513)</b>	(15,806,322)
Repayment of liabilities against right use of asset	<b>(3,963,480)</b>	(2,973,176)
<b>Net cash generated from / (used in) financing activities</b>	<b><u>(24,792,993)</u></b>	<b><u>(18,779,498)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(125,771,584)</b>	(15,426,271)
<b>Cash and cash equivalents at beginning of year</b>	<b>173,060,146</b>	54,804,227
<b>Cash and cash equivalents at end of year</b>	15 <b><u>47,288,562</u></b>	<b><u>39,377,956</u></b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



*Chief Executive Officer*



*Chief Financial Officer*



*Director*

**TRUST SECURITIES & BROKERAGE LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

**1 THE COMPANY AND ITS OPERATION**

The Company was incorporated in Pakistan on October 19, 1993 as a Public Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The company is listed on Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited.

The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities and other financial instruments and corporate financial services.

Further the company is also engaged in trading in commodities future, equity and debt securities on its own account through ready, spot and forward counters of the stock exchange and mercantile exchanges.

**1.1 GEOGRAPHICAL LOCATION AND ADDRESS OF OFFICES ARE AS UNDER:**

- **Head Office :** Suite No. 401, 4th floor, Business and Finance Center, I.I Chundrigar Road, Karachi.
- **Branch Offices :** 2nd Floor, Associated House Building No. 1&2, 7-Kashmir Road, Lahore.  
Room No. 807 & 808, 8th Floor New Stock Exchange Building, I.I. Chundrigar Road, Karachi.  
Room No. 725, 7th Floor New Stock Exchange Building, I.I. Chundrigar Road, Karachi.  
  
Room No. 607, 6th Floor, LSE Plaza 19-Khayaban-e-Iqbal, Lahore.  
  
PMEX Branch Office: House No. D-66, 1st Floor, Block-7, Clifton, Karachi  
  
PMEX Branch Office- DHA, Karachi Mezzanine No.2, Plot No. 55-C 11th Commercial Street, DHA, Phase-II Ext, Karachi.  
  
Room No. 510, 5th Floor, Business & Finance Centre I.I. Chundrigar Road, Karachi.

**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, 2024.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2024 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

**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, 2024.

**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, 2024.

		<i>(Un-Audited)</i> <i>September 30</i> <i>2024</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>September 30</i> <i>2023</i> <i>Rupees</i>
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	5.1 <b>15,030,593</b>	13,776,159
	Capital work in progress	5.2 -	1,515,000
		<b>15,030,593</b>	<b>15,291,159</b>
<b>5.1</b>	<b>Operating fixed assets</b>		
	Opening Written down value	<b>13,776,159</b>	12,498,771
	Addition during the period	<b>135,000</b>	2,214,874
	Transferred from capital work in progress	<b>1,603,175</b>	634,450
	Depreciation charged during the period	<b>(483,752)</b>	(1,571,936)
	Closing written down value	<b>15,030,593</b>	13,776,159
<b>5.2</b>	<b>Capital work in progress</b>		
	Opening balance	<b>1,515,000</b>	170,000
	Addition during the year	-	1,979,450
	Transferred to fixed assets	<b>(1,515,000)</b>	(634,450)
	Closing balance	-	1,515,000
<b>6</b>	<b>RIGHT OF USE ASSETS</b>		
	Opening net book value	<b>21,264,286</b>	16,907,400
	Additions	-	15,431,224
	Derecognition of ROUA	<b>(137,718)</b>	
	Depreciation expense	<b>(2,545,224)</b>	(11,074,338)
		<b>(2,682,941)</b>	4,356,886
	<b>Closing net book value</b>	<b>18,581,345</b>	<b>21,264,286</b>
<b>7</b>	<b>INTANGIBLES</b>		
	<b>Trading Rights Entitlement Certificate (TREC)</b>		
	Pakistan Stock Exchange Limited (PSX)	7.1&7.2 <b>1,280,000</b>	1,280,000
	<b>Offices</b>		
	LSE Financial Services Limited (LFSL)	7.3 <b>262,600</b>	262,600
	<b>Pakistan Mercantile Exchange Limited (PMEX) membership</b>		
	Pakistan Mercantile Exchange Limited	<b>2,500,000</b>	2,500,000
	<b>Software</b>	7.4 <b>1,077,084</b>	1,145,834
		<b>5,119,684</b>	<b>5,188,434</b>
<b>7.1</b>	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.		
<b>7.2</b>	This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.		
<b>7.3</b>	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>September, 30</i> <i>2024</i> <i>Rupees</i>	<i>(Audited)</i> <i>June, 30</i> <i>2024</i> <i>Rupees</i>
<b>7.4 Software</b>		
Opening net book value	1,145,834	1,420,834
Amortization charge	<u>(68,750)</u>	<u>(275,000)</u>
<b>Closing net book value</b>	<b><u>1,077,084</u></b>	<b><u>1,145,834</u></b>
Cost	2,750,000	2,750,000
Accumulated amortization		<u>(1,604,166)</u>
<b>Net book value</b>	<b><u>2,750,000</u></b>	<b><u>1,145,834</u></b>
<b>Amortization rate</b>	<b><u>10%</u></b>	<b><u>10%</u></b>

## 8 LONG TERM DEPOSITS

### - Unsecured - Considered good

National Clearing Company of Pakistan Limited (NCCPL)	1,500,000	1,500,000
Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
Pakistan Mercantile Exchange Limited (PMEX)	500,000	500,000
Base Minimum Capital	18,169,305	4,969,305
Rentals deposits	527,500	527,500
Lease deposits	-	-
	<b><u>20,796,805</u></b>	<b><u>7,596,805</u></b>

## 9 DEFERRED TAXATION

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

### Taxable temporary differences

Accelerated tax depreciation	(6,603,967)	(7,381,031)
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### Deductible temporary differences

Provision for expected credit losses (ECL)	24,317,738	19,170,579
Assessed tax losses	1,500,872	1,500,872
Lease liability	5,010,858	5,716,899
Alternative Corporate Tax	4,641,752	4,641,752
Unabsorbed depreciation	571,438	571,438
Capital gain tax	272,563	135,560
	<b>36,315,221</b>	<b>31,737,100</b>
Unrecognized deferred tax	<b>(4,641,752)</b>	<b>(4,641,752)</b>
	<b><u>25,069,502</u></b>	<b><u>19,714,317</u></b>

The Company has not recognised above deferred tax asset due to the uncertainty regarding taxable profits in foreseeable future against which the deferred tax asset can be utilized or adjusted.

## 10 SHORT TERM INVESTMENTS

### At fair value through profit or loss

In shares of quoted company	10.1	17,726,000	18,878,500
In shares of unquoted company	10.2 & 10.3	23,130	23,130
Investment in margin financing			
		<b><u>17,749,130</u></b>	<b><u>18,901,630</u></b>

**10.1** Fair value of securities, pledged with Pakistan Stock Exchange limited against Base Minimum Capital (BMC), is Rs. NIL ( Jun'2024 Rs.15.37 millions)

		<i>(Un-Audited)</i> <i>September, 30</i> <i>2024</i> <i>Rupees</i>	<i>(Audited)</i> <i>June, 30</i> <i>2024</i> <i>Rupees</i>
<b>10.2 Unquoted company</b>			
Carrying amount		<b>60,000</b>	60,000
Accumulated impairment		<b>(36,870)</b>	(36,870)
		<b>23,130</b>	23,130

**10.3** This represents investment in fully paid ordinary shares of Takaful Pakistan Limited. The break-up value is Rs.5.33 per share based on un audited financial statements for the period ended March 31, 2024.

## **11 TRADE DEBTS**

Considered good		<b>44,420,412</b>	193,623,448
Considered doubtful		<b>83,854,270</b>	66,105,446
Considered bad			
	12.1 & 12.2	<b>298,852,092</b>	259,728,894
Provision for expected credit losses	11.3.1	<b>(83,854,270)</b>	(66,105,446)
Considered bad written-off			
		<b>214,997,822</b>	193,623,448

**11.1** The company holds capital securities having fair value of **Rs. 941.11 million** (30th June 2024: Rs. 747.750 million) owned by its clients, as collaterals against trade debts.

**11.2** This includes **Rs. 35.435 million** (2024 : Rs. 45.756 million) due from related parties and the maximum aggregate amount outstanding during the year **Rs. 37.06 million** (2024 : Rs. 787.309 million).

### **11.3 Aging analysis**

The aging analysis of trade debts is as follows:

Upto fourteen days		<b>170,577,410</b>	149,998,715
More than fourteen days	11.3.1	<b>128,274,682</b>	109,730,179
		<b>298,852,092</b>	259,728,894

**11.3.1** Adequate provision of **Rs. 83.854 million** (2024 : Rs. 66.105 million) has been provided in respect of amount due from customers.

### **11.4 Provision for expected credit losses (ECL)**

Balance as on July 01		<b>66,105,446</b>	24,310,955
Provision made during the year	24	<b>22,296,599</b>	43,546,093
		<b>88,402,045</b>	67,857,048
Reversal of excess provision due to recovery		<b>(4,547,775)</b>	(1,751,602)
		<b>83,854,270</b>	66,105,446

## **12. RECEIVABLE AGAINST MARGIN FINANCE**

This amount is given as a Margin Financing (MF) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in MF Blocked CDS A/C of the company. The company is financing on agreed Financing Participation Ratio (FPR) and charging markup upto the rate of 1 month KIBOR (prevailing at the close of immediately preceding working day) + 8%.

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>September, 30</i>	<i>June, 30</i>
		<i>2024</i>	<i>2024</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>13. ADVANCES, DEPOSITS, AND OTHER RECEIVABLES</b>			
<i>- Considered good</i>			
<b>Advances</b>			
Advance to staff		7,575,025	7,914,699
Advance for office maintenance		1,179,570	1,586,445
		<u>8,754,595</u>	<u>9,501,144</u>
<b>Deposits</b>			
Deposit against exposure margin	13.1	42,426,526	59,401,160
Deposits against margin trading system	13.2	49,409,554	62,348,228
Deposit against PMEX margin	13.3	30,008,811	31,004,337
		<u>121,844,891</u>	<u>152,753,725</u>
<b>Other receivables</b>			
Other receivables		1,046,912	1,459,678
PMEX clearing house		309,761	2,668,682
Markup receivable against leverage products		6,796,111	6,148,111
Markup receivable against saving accounts		75,038	2,217,983
Retained profit future contract from NCCPL		3,909,950	3,095,238
		<u>12,137,772</u>	<u>15,589,692</u>
		<u>142,737,258</u>	<u>177,844,561</u>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>September 30 2024</i>	<i>September 30 2024</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>14. TAX REFUNDS DUE FROM GOVERNMENT - NET</b>			
<i>Income Tax Refundable</i>			
Sales tax Refundable		134,329	544,223
Income tax Refundable		8,576,159	7,100,793
		<u>8,710,488</u>	<u>7,645,016</u>
Opening Tax Refundable/ (Payable)		7,100,793	1,746,059
Tax Paid During the year		2,120,596	10,024,755
		<u>9,221,389</u>	<u>11,770,814</u>
Provision for the year		(645,230)	(5,127,163)
Prior year		-	457,142
Closing tax refundable		<u>8,576,159</u>	<u>7,100,793</u>
<b>15. CASH AND BANK BALANCES</b>			
Cash in hand		368,252	266,600
<b>Cash at banks</b>			
In current accounts		6,017,205	157,988,262
In saving accounts	15.1	40,903,105	14,805,284
	15.2	46,920,310	172,793,546
		<u>47,288,562</u>	<u>173,060,146</u>
<b>15.1</b> Saving accounts carries markup which ranges from <b>10% to 19.51%</b> (2022 : 6.5% to 10.75%) per annum.			
<b>15.2</b> <i>Balance pertaining to :</i>			
Clients		42,847,532	51,286,720
Brokerage house		4,072,778	1,644,488
		<u>46,920,310</u>	<u>52,931,208</u>
<b>16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
<i>(Un-Audited)</i>	<i>(Audited)</i>	<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>September, 30</i>	<i>June, 30</i>	<i>September, 30</i>	<i>June, 30</i>
<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<u>30,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
		Ordinary shares of Rs.10	
		each fully paid in cash	

**17 LEASE LIABILITIES**

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The future lease payments have been discounted using incremental borrowing cost on properties lease from 17.82%-24.67% and vehicles leases borrowings cost is 25.91%.

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

		<i>(Un-Audited)</i> <i>September, 30</i> <i>2024</i> <i>Rupees</i>	<i>(Audited)</i> <i>June, 30</i> <i>2024</i> <i>Rupees</i>
Opening balances		<b>19,713,444</b>	16,003,082
Addition during the year		-	13,537,223
Interest charged during the year		<b>1,620,155</b>	3,775,660
Paid during the year		<b>(3,963,480)</b>	(13,602,521)
Terminated during the year		<b>(91,303)</b>	-
		<b>(2,434,628)</b>	3,710,362
<b>Closing balances</b>		<b>17,278,816</b>	19,713,444
Current	17.1	<b>8,377,488</b>	8,775,311
Non - current	17.1	<b>8,901,332</b>	10,938,133
		<b>17,278,820</b>	19,713,444

**17.1** Lease liabilities are payable as follows:

<b>Minimum lease payments</b>			
Upto one year		<b>11,534,930</b>	12,399,629
More than one year but less than five years		<b>11,048,252</b>	13,701,289
		<b>22,583,181</b>	26,100,918
<b>Financial charges</b>			
Upto one year		<b>3,157,441</b>	3,624,318
More than one year but less than five years		<b>2,146,919</b>	2,763,156
		<b>5,304,361</b>	6,387,474
<b>Present value of minimum lease payments</b>			
Upto one year		<b>8,377,488</b>	8,775,311
More than one year but less than five years		<b>8,901,332</b>	10,938,133
		<b>17,278,820</b>	19,713,444
Current maturity shown under current liabilities		<b>(8,377,488)</b>	(8,775,311)
		<b>8,901,332</b>	10,938,133

		<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>September, 30</i>	<i>June, 30</i>
		<i>2024</i>	<i>2024</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>18 TRADE AND OTHER PAYABLES</b>			
Trade creditors		<b>81,298,917</b>	135,457,079
Accrued liabilities		<b>21,318,844</b>	28,264,906
Staff retirement benefits payable		<b>6,304,266</b>	6,304,266
Withholding tax payable		<b>3,547,494</b>	15,381,630
Sindh sales tax payables		-	-
Retain future profit of clients		<b>8,401,350</b>	4,075,065
DFC withheld exposure demand from clients		<b>14,022,584</b>	12,785,499
Withheld regular & MTS exposure and margin		<b>44,461,444</b>	46,311,393
Other liabilities		<b>16,228,104</b>	6,688,468
		<b>195,583,004</b>	255,268,306

### 19 SHORT TERM BORROWINGS

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

Running finance	<b>45,553,513</b>	66,383,027
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**19.1** The company has obtained a running finance facility of Rs. 200 million from a banking company to finance daily clearing obligation of Pakistan Stock Exchange and settlement of client trade. The facility carries markup of 3 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 the Company, Director and Sponsors of company or 3rd party (excluding settlement accounts of customer) @ 10% maintained.

**19.2** Fair value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	<i>(Un-Audited)</i>		<i>(Audited)</i>	
	<i>September, 30</i>		<i>June, 30</i>	
	<i>2,024</i>		<i>2024</i>	
	<i>Number of Securities</i>	<i>Amount</i>	<i>Number of Securities</i>	<i>Amount</i>
Client	<b>6,005,667</b>	<b>46,221,067</b>	7,388,935	59,657,126
House	<b>1,200,000</b>	<b>16,776,000</b>	9,000	1,210,500
<b>Total</b>	<b>7,205,667</b>	<b>62,997,067</b>	7,397,935	60,867,626

**19.3** Credit facilities available and unavailed as at September 30, 2024 are as follows: -

<i>Nature of facility</i>	<i>Sanctioned limit</i>		<i>Unavailed facility</i>	
	<i>(Un-Audited)</i>	<i>(Audited)</i>	<i>(Un-Audited)</i>	<i>(Audited)</i>
	<i>September, 30</i>	<i>June, 30</i>	<i>September, 30</i>	<i>June, 30</i>
	<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Running finance	<b>200,000,000</b>	200,000,000	<b>154,446,487</b>	200,000,000



## 20 CONTINGENCY & COMMITMENTS

### 20.1 Contingency

The Company has obtained a stay order regarding an appeal filed with the Commissioner (Appeals-1) Inland Revenue, Lahore, in response to an order issued by the Deputy Commissioner of Inland Revenue Unit-IV, AEOI Zone, LTO Lahore, under Section 182 of the Income Tax Ordinance, 2001. This order pertains to the alleged failure to submit the Common Reporting Standard Report as required by Rule 78L of the Income Tax Rules for the reporting period ending on December 31, 2020. In this context, management is of the view that a favorable judgment will be reached, and no provisions have been made in our financials for the penalty of Rs. 710,000 demanded through the Notice of Demand under Section 137(2) of the Income Tax Ordinance, 2001.

### 20.2 Commitment

For purchase of shares	<b>581,624,426</b>	179,467,082
For sale of shares	<b>573,275,186</b>	17,515,731

*(Un-Audited)*                      *(Un-Audited)*  
*September, 30*                      *September, 30*  
*2024*                                      *2023*

*Note*                                      *Rupees*                                      *Rupees*

## 21 OPERATING REVENUE

Brokerage income from Pakistan Stock Exchange	<b>35,507,973</b>	28,550,860
Brokerage income from Pakistan Mercantile Exchange Limited	<b>4,269,403</b>	5,551,516
Dividend Income	-	91,064
Cost Recoveries	<b>2,866,870</b>	3,895,030
	<b>42,644,246</b>	38,088,470

### GAIN / (LOSS) ON SALE OF SHORT TERM INVESTMENTS

Capital gain / (loss) on sale of securities - PSX	<b>696,038</b>	1,759,353
Gain on investment of commodities futures - PMEX	<b>5,022,654</b>	30,309,636
	<b>5,718,692</b>	32,068,989

### GAIN / (LOSS) ON REMEASUREMENT OF INVESTMENTS - AT FVTPL

Gain / (Loss) on remeasurement of investments - at FVTPL - PSX	<b>1,654,000</b>	<b>7,290,260</b>
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		<i>(Un-Audited)</i> September, 30 2024 Rupees	<i>(Un-Audited)</i> September, 30 2023 Rupees
<b>22 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Salaries, benefits and allowances		14,630,838	14,226,976
Director's remuneration		448,940	848,080
Commission to Employees		21,200,480	18,602,148
Clearing house charges		3,693,510	2,139,118
Communication expenses		456,348	405,760
Printing and stationery		362,642	584,746
Entertainment expense		1,329,382	1,064,418
Traveling & Lodging expense		1,232,534	554,109
Repair and maintenance		1,843,089	435,021
Advertisement and sale promotion		106,500	13,250
Electricity and utilities		1,461,565	1,129,381
Insurance		227,433	89,415
Depreciation		483,752	354,252
Amortization		68,750	68,750
Amortization on right of use assets		2,545,224	2,303,347
Internet and software maintenance charges		1,343,681	1,670,950
Charity & Donation		683,677	35,150
Legal and professional charges		-	-
Fees and subscriptions		2,049,219	955,300
Rent, rates and taxes		174,235	526,239
Auditors Remuneration		63,520	-
Miscellaneous expense		835,674	652,021
		<u>55,240,993</u>	<u>46,658,431</u>
<b>23 FINANCE COST</b>			
Bank charges		8,936	6,170
Interest expense on lease liability		1,105,181	852,532
Markup on overdraft		3,059,968	1,632,039
		<u>4,174,086</u>	<u>2,490,741</u>
<b>24 OTHER CHARGES</b>			
Impairment loss	10.2	-	-
Provision for ECL	11.4	22,296,599	1,899,861
		<u>22,296,599</u>	<u>1,899,861</u>
<b>25. OTHER INCOME - Net</b>			
<b>Income from financial assets</b>			
- Interest on saving account		3,643,619	3,335,598
- Interest income on exposure deposited		5,071,797	2,950,445
- Interest income on Margin Financing		6,016,025	588,946
- Profit on PMEX deposit		718,560	-
- Reversal of provision for doubtful debts		4,547,775	1,752,621
		<u>19,997,777</u>	<u>8,627,610</u>
<b>Income from other than financial assets</b>			
- Gain / (loss) on sale of fixed assets		-	-
- Transaction Charges recovered from clients		-	-
		<u>19,997,777</u>	<u>8,627,610</u>

	<i>Note</i>	<i>(Un-Audited)</i> <i>September, 30</i> <i>2024</i> <i>Rupees</i>	<i>(Un-Audited)</i> <i>September, 30</i> <i>2023</i> <i>Rupees</i>
<b>26. TAXATION</b>			
Current		<i>645,230</i>	4,362,079
Prior year tax		-	-
Deferred taxation		<u><i>(5,355,185)</i></u>	<u>(87,045)</u>
		<u><u><i>(4,709,955)</i></u></u>	<u><u>4,275,034</u></u>

Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

Due to the brought forward tax losses, provision for current income tax is based on section 113(C) of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.

**27 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.

**28 DATE OF AUTHORIZATION OF ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on October 29,2024.



*Chief Executive Officer*



*Chief Financial Officer*



*Director*