



**Financial Statements**  
**For the period ended March 31, 2019**

## **CONTENTS**

COMPANY INFORMATION

DIRECTORS' REPORT

CONDENSED INTERIM FINANCIAL POSITION

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONDENSED INTERIM CASH FLOW STATEMENT

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## Company Information

**Board of Directors:**

1. Mr. Muhammad Khurram Faraz  
Chairman/Director
2. Mr. Abdul Basit  
Chief Executive Officer/Director (Executive)
3. Mr. Khizer Hayat Farooq  
Non-Executive (Independent)
4. Mr. Junaid Shehzad Ahmad  
Non-Executive (Independent)
5. Mrs. Zenobia Wasif  
Non-Executive
6. Mr. Talha Muhammad Razi  
Non-Executive
7. Mr. Zulfiqar Ali Anjum  
Executive

**Company Secretary**

Syed Maqsood Ahmad

**Chief Financial Officer**

Waseem Ahmad Khan

**Legal Advisors:**

Mr. Abdul Majeed  
Advocate

**Registered Office:**

Suite No. 401 & 402, 4<sup>th</sup> Floor  
Business & Finance Centre,  
I.I. Chundrigar Road, Karachi (Pakistan)  
UAN: (92-21)111-000-875  
Tel: (92-21) 32469044-48, Fax: (92-21)32467660

**Branch Office Karachi:**

2<sup>nd</sup> Floor, PSX New Building  
Stock Exchange Road, Karachi, Pakistan  
Tel: (92-21) 32460161-7

E-mail: [info@tsbl.com.pk](mailto:info@tsbl.com.pk)

**Audit Committee:**

1. Mr. Junaid Shehzad Ahmed  
Chairman
2. Mr. Khizer Hayat Farooq  
Member
3. Mr. Muhammad Talha Razi  
Member

**H.R & Remuneration Committee:**

1. Mr. Khizer Hayat Farooq  
Chairman
2. Mrs. Zenobia Wasif  
Member
3. Mr. Abdul Basit  
Member

**Auditors:**

Reanda Haroon Zakaria & Company  
Chartered Accountants

**Internal Auditors:**

Muhammad Adnan Siddiqui & Co.  
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) 3735 8817

**Bankers:**

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

**Branch Office Lahore:**

2<sup>nd</sup> 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](http://www.tsbl.com.pk)

## DIRECTORS REPORT

The Board of Directors of Trust Securities & Brokerage Limited takes pleasure in presenting a brief review of the performance along with condensed interim financial statements of the Company for the period ending **March 31, 2019**.

This report is prepared under section 227 **Companies Act 2017**, Chapter XIII clause 35 (Reporting and Disclosure) of the **Code of Corporate Governance**.

	March 31, 2019	March 31 2018
Revenue	27,360,655	2,465,490
Operating Loss	(18,871,395)	(9,634,720)
Loss before Taxation	(6,738,395)	(8,975,631)
Loss after Taxation	(7,127,492)	(9,010,631)

The performance of the company for the nine months of the financial year remained below par, in the prevailing circumstances coupled by continues pressure on the economic condition vis-a-vis dwindling forex reserves, increase in the discount rate, severe current account deficit and continuous / unpredictable depreciation of pak rupee.

### Company Performance Review

The company incurred a net loss of **PKR 7,127,492/-** for the nine months ended March 31, 2019 which translates in Loss per share of **PKR 0.24**.

The Primary reason for the loss is the uncertain conditions and negative sentiment of the market, whereby, volumes have shrunk considerably and no investor interest in the market until such time that a clear picture arises of the economy in terms of the economic and financial plans of the government for the future.

The company however, remains steadfast in overcoming the challenges faced by the market which are, external in nature and outside our control.

### Future Outlook

The company is continuously striving not only to reduce losses ; but also to maximize profitability and growth we are confident that in times to come and when the market and the economic situation settles, we can generate increased value for our shareholders as well as deliver different product and services to our customers.

For and on Behalf of the  
Board of Directors



Sd/-

**Abdul Basit**

Chief Executive Officer

Karachi  
April 26, 2019

**TRUST SECURITIES & BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2019**

		(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
	Note		
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	5	13,054,950	1,912,030
Intangibles	6	6,632,184	4,042,600
Long term investments	7	2,720,000	2,720,000
Long term deposits	8	1,775,149	1,825,149
		<u>24,182,283</u>	<u>10,499,779</u>
<b>Current Assets</b>			
Short term investments	9	2,400,600	288,240
Trade debts	10	43,431,598	20,585,123
Receivable from Margin Financing	11	39,040,466	9,661,801
Advances, prepayments, deposits and other receivables	12	70,601,769	54,610,033
Tax refunds due from government	13	6,840,298	2,364,431
Cash and bank balances	14	83,706,059	125,272,660
		<u>246,020,788</u>	<u>212,782,288</u>
<b>Total Assets</b>		<u><u>270,203,072</u></u>	<u><u>223,282,067</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (June 2018 : 30,000,000) Ordinary shares of Rs.10 each		<u>750,000,000</u>	<u>750,000,000</u>
<b>Issued, subscribed and paid-up capital</b>	15	300,000,000	300,000,000
<b>Reserves</b>			
Accumulated losses		(113,450,742)	(106,323,250)
<b>Shareholders' Equity</b>		<u>186,549,258</u>	<u>193,676,750</u>
<b>Current Liabilities</b>			
Trade and other payables	16	74,753,814	20,705,317
Subordinated Loan		8,900,000	8,900,000
<b>Contingency and Commitment</b>	17	-	-
<b>Total Equity and Liabilities</b>		<u><u>270,203,072</u></u>	<u><u>223,282,067</u></u>

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

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

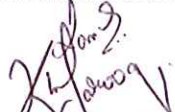
**TRUST SECURITIES & BROKERAGE LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2019**

	Note	(Un-Audited)		(Un-Audited)	
		Nine months ended		Third quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		----- Rupees -----			
Operating revenue	18	28,815,273	2,362,691	11,249,329	525,876
Gain on sale of securities		1,218,420	-	1,135,643	-
Loss/Gain on re-measurement of investments		(2,673,038)	102,799	(2,521,088)	181,680
		27,360,655	2,465,490	9,863,884	707,556
Operating and administrative expenses	19	(45,821,540)	(11,883,583)	(17,707,959)	(4,678,822)
Finance cost	20	(410,510)	(216,627)	(330,807)	(123,942)
		(46,232,050)	(12,100,210)	(18,038,766)	(4,802,764)
<b>Operating loss</b>		<b>(18,871,395)</b>	<b>(9,634,720)</b>	<b>(8,174,882)</b>	<b>(4,095,208)</b>
Other charges	21	(235,594)	(99,457)	-	(49,220)
Other operating income	22	12,368,593	758,546	5,028,280	21,145
<b>Loss before taxation</b>		<b>(6,738,395)</b>	<b>(8,975,631)</b>	<b>(3,146,602)</b>	<b>(4,123,283)</b>
Taxation		(389,097)	(35,000)	(291,823)	(5,000)
<b>Loss after taxation</b>		<b>(7,127,492)</b>	<b>(9,010,631)</b>	<b>(3,438,425)</b>	<b>(4,128,283)</b>
		----- Rupees -----			
		(Restated)		(Restated)	
<b>Loss per share - basic and diluted</b>		<b>(0.24)</b>	<b>(0.78)</b>	<b>(0.11)</b>	<b>(0.34)</b>

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



Chief Executive



Director



Chief Financial Officer



**TRUST SECURITIES & BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2019**

(Un-Audited)		(Un-Audited)	
Nine months ended		Third quarter ended	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- Rupees -----			

Loss after tax for the period	(7,127,492)	(9,010,631)	(3,438,425)	(4,128,283)
-------------------------------	-------------	-------------	-------------	-------------

**Other comprehensive income :**

Present value adjustment of interest free loan	-	1,110,696	-	
--	---	-----------	---	--

<b>Total comprehensive loss for the period</b>	<b>(7,127,492)</b>	<b>(7,899,935)</b>	<b>(3,438,425)</b>	<b>(4,128,283)</b>
--	--------------------	--------------------	--------------------	--------------------

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

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Financial Officer

**TRUST SECURITIES & BROKERAGE LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2019**

	(Un-Audited) March 31, 2019	(Un-Audited) March 31, 2018
Note	2019	2018
	----- Rupees -----	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(6,738,395)	(8,975,631)
Adjustment for non-cash charges and other items		
Depreciation	803,930	102,498
Amortization	160,416	-
Provision for doubtful debts	283,997	99,457
Reversal of provision for doubtful debts	(149,442)	(18,718)
(Gain) on disposal of property and equipment	(1,220)	-
Financial charges on long term financing.	-	20,245
Capital Gain on sale of investments	(1,218,420)	-
Unrealised (gain)/loss on remeasurement of investments	2,673,038	(102,799)
	2,552,299	287,683
	(4,186,096)	(8,687,948)
Changes in Working Capital :		
Decrease / (increase) in current assets		
Trade debts	(22,981,029)	272,979
Receivable against Margin Financing	(29,378,665)	-
Advances, prepayments and other receivables	(15,991,736)	285,393
	(68,351,429)	558,372
(Decrease) / increase in current liabilities		
Trade and other payables	54,048,497	(5,298,577)
Cash (used in) / generated from operations after working capital changes	(18,489,028)	(13,42,153)
Taxes paid	(4,864,964)	(281,137)
Net cash (used in) / generated from operating activities	(23,353,992)	(13,709,290)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(11,950,930)	(109,435)
Proceeds from sale of property and equipment	5,300	-
Acquisition of Intangible assets	(2,750,000)	-
Investments-net	(3,566,979)	(60,000)
Long term loan received	-	8,900,000
Long term deposit	50,000	-
Net cash generated from investing activities	(18,212,609)	8,730,565
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	200,000,000
Net increase in cash and cash equivalents (A+B+C)	(41,566,601)	195,021,275
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	83,706,059	216,552,072

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

Chief Executive

Director

Chief Financial Officer



**TRUST SECURITIES AND BROKERAGE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2019**

	Share Capital	Reserves			Grand Total	Shareholders' Equity
		Capital Fair Value Reserve	General Reserve	Revenue Sub Total		
Balance as at June 30, 2017	100,000,000	-	-	(87,969,799)	(87,969,799)	12,030,201
Issue of right shares	200,000,000					200,000,000
Loss for the nine months ended March 31, 2018	-		-	(9,010,631)	(9,010,631)	(9,010,631)
Present value adjustment of long term loan	-		-	1,110,696	1,110,696	1,110,696
Balance as at March 31, 2018	200,000,000	-	-	(7,899,935)	(7,899,935)	192,100,065
Balance as at June 30, 2018	300,000,000	-	-	(95,869,734)	(95,869,734)	204,130,266
Loss for the nine months ended March 31, 2019	300,000,000	-	-	(106,323,250)	(106,323,250)	193,676,750
Present value adjustment of long term loan	-		-	(7,127,492)	(7,127,492)	(7,127,492)
Balance as at March 31, 2019	-	-	-	(7,127,492)	(7,127,492)	(7,127,492)
Balance as at March 31, 2019	300,000,000	-	-	(113,450,742)	(113,450,742)	186,549,258

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

  
Chief Executive

  
Director

  
Chief Financial Officer

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2019**

**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.
- These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2018.

**2 BASIS OF PREPARATION**

**2.1 Statement Of Compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statement and should be read in conjunction with the audited annual financial statements as at and for the year ended 30 June 2018.

**2.2 Functional and presentation currency**

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018 except for certain accounting and reporting standards which become effective for onward period beginning on or after July 01, 2018. These Standards are as follows:

- *IFRS 15 – Revenue from Contracts with Customers*

IFRS 15 'Revenue from Contracts with customers' supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

- *IFRS 9 – Financial Instruments*

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly include trade debts, loans and advances, long term loans, investment in equity instruments, other ancillary deposits/receivables and bank balances held with commercial banks.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has concluded that the impact of impairment on its financial assets is immaterial to this condensed interim unconsolidated financial statements.

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, 2018.



## 5 PROPERTY AND EQUIPMENT

	Note	(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
Operating fixed assets	5.1	10,974,950	1,512,030
Capital work in progress	5.2	2,080,000	400,000
		<u>13,054,950</u>	<u>1,912,030</u>

### 5.1 Operating fixed assets

Opening written down value		1,512,030	1,035,402
Addition during the period	5.3	10,270,930	649,187
Disposals during the period	5.3	(265,282)	-
Depreciation charge on disposal		261,202	-
Depreciation charge for the period		(803,930)	(172,559)
		<u>10,974,950</u>	<u>1,512,030</u>

### 5.2 Capital work in progress

Opening written down value	400,000	-
Addition during the period	1,680,000	400,000
	<u>2,080,000</u>	<u>400,000</u>

### 5.3 Details of additions to and disposal of operating fixed assets are as follows:

	Additions (at cost)		Disposal (at net book value)	
	Nine Months ended			
	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
	Rupees			
Computers	532,173	454,713	246,882	-
Furniture and Fittings	7,056,596	17,400	-	-
Vehicles	49,500	-	-	-
Office Equipment	2,632,661	177,074	18,400	-
	10,270,930	649,187	265,282	-

## 6 INTANGIBLES

	Note	(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<b>Trading Rights Entitlement Certificate (TREC)</b>			
Pakistan Stock Exchange Limited	6.1	1,280,000	1,280,000
<b>Offices</b>			
LSE Financial Services Limited (LFSL)	6.2	262,600	262,600
<b>Pakistan Mercantile Exchange Limited (PMEX) membership</b>			
Pakistan Mercantile Exchange Limited.		2,500,000	2,500,000
<b>Software</b>			
Cost		2,750,000	-
Amortization	6.3	(160,416)	-
		<u>2,589,584</u>	<u>-</u>
		<u>6,632,184</u>	<u>4,042,600</u>

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

- 6.2 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.
- 6.3 During the period the company has purchased a new software for their operations, this software is subject to amortization.

## 7 LONG TERM INVESTMENTS

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

March 31, 2019	June 30, 2018	Name of Company	Number of Shares		Carrying Value	
					(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
843,975	843,975	LSE Financial Services Limited		7.1	2,720,000	2,720,000

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

March 31, 2019	June 30, 2018	Name of Company	Number of shares			
5,000	5,000	Sunshine Cotton Mills Ltd.			1,650	1,650
					1,650	1,650
					(1,650)	(1,650)
		Provision for Impairment			2,720,000	2,720,000

- 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. The total number of shares received by the Company were 843,975 shares with a face value of Rs.10 each.

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. 21.70 per share based on the half yearly reviewed financial statements for the period ended June 30, 2018.

	Note	(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
8 LONG TERM DEPOSITS			
- Unsecured - Considered good			
LSE Financial Services Limited		-	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
		1,775,149	1,825,149

## 9 SHORT TERM INVESTMENTS

### - At fair value through profit or loss - Initially designated



In shares of quoted company	9.1	2,370,600	258,240
In shares of unquoted company	9.2	30,000	30,000
		<u>2,400,600</u>	<u>288,240</u>

#### 9.1 In shares of quoted company

(Un-Audited) March 31, 2019	(Audited) June 30, 2018			
Number of Shares		Name of Securities		
8,000	8,000	Fauji Foods Limited	208,800	258,240
10,000	-	Pakistan state Oil Limited.	2,161,800	-
			<u>2,370,600</u>	<u>258,240</u>

#### 9.2 In shares of unquoted company

(Un-Audited) March 31, 2019	(Audited) June 30, 2018			
Number of Shares		Name of Company		
5,000	5,000	Takaful Pakistan Limited	60,000	60,000
		Less: Provision for impairment	(30,000)	(30,000)
			<u>30,000</u>	<u>30,000</u>

### 10 TRADE DEBTS

#### Notes

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	Rupees	Rupees
Considered good	43,431,597	20,585,123
Considered doubtful	54,032,997	53,898,442
	97,464,594	74,483,565
Provision for doubtful receivables	(54,032,997)	(53,898,442)
	<u>43,431,598</u>	<u>20,585,123</u>

#### 10.1 Aging Analysis

The aging analysis of trade debts is as follows:

	As on March 31, 2019	
	Amount	Custody value
	Rupees	
Upto fourteen days	13,107,942	282,798,088
More than fourteen days	84,356,653	30,323,656
	<u>97,464,594</u>	<u>313,121,744</u>

#### 10.2 Provision for doubtful receivables

Balance at beginning of the period	53,898,442	54,324,615
Additional provision made during the period	283,997	80,739
Considered bad debts written off	-	-
	<u>54,182,439</u>	<u>54,405,354</u>
Reversal of excess provision	(149,442)	(506,912)
Balance at end of the period	<u>54,032,997</u>	<u>53,898,442</u>

10.2.1 The total value of securities pertaining to clients are Rs. 282.79 million held in sub-accounts of the company. However securities for Rs. 2.25 million is pledged by clients to the financial institutions.

**11 RECEIVABLES FROM MARGIN FINANCING**

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 Ration (FPR of maximum 80% and charging markup upto the rate of 18% p.a.)

	(Un-Audited)	(Audited)
	March 31,	June 30,
	2019	2018
Note	Rupees	Rupees

**12 ADVANCES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES****- Considered good**

Advances to staff

2,906,907 691,000

Short term prepayments

1,025,687 561,825

Exposure deposits with NCCPL

12.1

62,276,806 37,804,175

Other receivables

4,392,369 15,553,033

70,601,769 54,610,033

12.1 This represents deposits with National clearing company of Pakistan Limited against exposure margin & additional Deposits against Losses in respect of ready, future and Leverage Market positions. However, Deposited losses are Net off against respective Demand.

**13 TAX REFUNDS DUE FROM GOVERNMENT**

Sales Tax Refundable

566,811

Opening tax refundable

1,797,620 1,609,204

Provision for the period

(389,097) (368,462)

1,408,523 1,240,742

Tax paid during the period

5,431,775 556,878

6,840,298 1,797,6206,840,298 2,364,431**14 CASH AND BANK BALANCES**

Cash in hand

1,207,066 27,195

**Cash at banks**

In current accounts

81,357,901 115,174,744

In saving account

1,141,092 10,070,721

14.1

82,498,993 125,245,465

83,706,059 125,272,660**14.1 Balance pertaining to**

- clients

49,624,358 24,561,273

- brokerage house

32,874,635 100,684,192

82,498,993 125,245,465

			(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<b>15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>Note</b>			
(Un-Audited) March 31, 2019 Number of Shares	(Audited) June 30, 2018			
30,000,000	30,000,000	Ordinary shares of Rs.10/- each fully paid in cash	300,000,000	300,000,000

			(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<b>16 TRADE AND OTHER PAYABLES</b>				
Trade Creditors			60,202,979	12,260,755
Others				
Other Liabilities			10,829,616	2,195,892
Accrued and other liabilities			1,829,100	4,432,197
Employee compensated expenses payables			1,816,473	1,816,473
Sales Tax Payable			75,646	-
			<u>74,753,814</u>	<u>20,705,317</u>

#### 17 CONTINGENCY AND COMMITMENT

##### 17.1 Contingencies

As of the reporting date there was no change in the status of the contingency as reported in the company's published audited financial statements for the year ended June 30, 2018.

			(Un-Audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<b>17.2 Commitments</b>	<b>Note</b>			
For purchase of shares			357,481,666	47,066,401
For sale of shares			<u>358,201,572</u>	<u>66,900,508</u>

			(Un-Audited) Nine months ended March 31, 2019	(Un-Audited) Third Quarter ended March 31, 2018	(Un-Audited) March 31, 2019	(Un-Audited) March 31, 2018
<b>18 OPERATING REVENUE</b>	<b>Note</b>					
Brokerage Income			28,393,286	1,940,501	11,249,329	525,876
Dividend income			421,988	422,190	-	-
			<u>28,815,273</u>	<u>2,362,691</u>	<u>11,249,329</u>	<u>525,876</u>

	(Un-Audited)		(Un-Audited)	
	Nine months ended		Third Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	----- Rupees -----			
<b>19 OPERATING AND ADMINISTRATIVE EXPENSES</b>				
Salaries, benefits and allowances	26,807,905	3,645,447	9,755,526	1,217,279
Commission and clearing house charges	3,532,265	39,250	1,012,936	10,533
Communication expenses	1,037,222	359,741	439,015	238,266
Printing and stationery	1,338,350	127,597	1,016,311	56,598
Entertainment expense	1,505,573	116,894	498,703	36,457
Traveling and lodging expense	813,852	103,208	494,569	38,174
Repair and maintenance	720,872	209,451	188,572	67,506
Advertisement and sale promotion	51,000	91,825	-	47,993
Electricity and utilities	1,407,477	266,785	356,606	72,208
Insurance	-	3,035	-	-
Depreciation	803,930	102,498	329,418	35,928
Amortization	160,416	-	68,750	-
Internet and software maintenance charges	1,573,128	336,128	520,980	165,446
Charity & Donation	213,000	-	213,000	-
Legal and professional charges	239,530	300,069	111,000	165,364
Fees and subscriptions	1,580,508	3,172,550	452,098	326,871
Rent, rates and taxes	3,015,124	799,257	1,709,862	298,801
Right Share issuance expenses	-	1,768,940	-	1,768,940
Auditors remuneration	280,136	251,250	31,987	83,750
Miscellaneous expense	741,252	189,658	508,626	48,708
	<b>45,821,540</b>	<b>11,883,583</b>	<b>17,707,959</b>	<b>4,678,822</b>

	(Un-Audited)		(Un-Audited)	
	Nine months ended		Third Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	----- Rupees -----			
<b>20 FINANCE COST</b>				
Bank charges	40,458	9,382	8,837	2,592
Amortisation of interest free loan	-	207,245	-	121,350
Markup on MTS Outstanding Position	370,052	-	321,970	-
	<b>410,510</b>	<b>216,627</b>	<b>330,807</b>	<b>123,942</b>

<b>21 OTHER CHARGES</b>				
Provision for doubtful debts	235,594	99,457	-	49,220

<b>22 OTHER OPERATING INCOME</b>				
<b>Income from financial assets</b>				
- Interest on saving account	166,620	690,190	46,928	171,204
- Interest income on exposure deposited	2,122,121	49,638	1,032,226	15,418
	<b>2,288,741</b>	<b>739,828</b>	<b>1,079,154</b>	<b>186,622</b>
<b>Income from other than financial assets</b>				
- Gain on sale of fixed assets	1,220	-	-	-
- Reversal of provision for doubtful debts	149,442	18,718	101,039	(165,477)
- Liability written back	148,485	-	-	-
- Other Income	9,780,705	-	3,848,087	-
	<b>10,079,852</b>	<b>18,718</b>	<b>3,949,126</b>	<b>(165,477)</b>
	<b>12,368,593</b>	<b>758,546</b>	<b>5,028,280</b>	<b>21,145</b>



**PATTERN OF SHAREHOLDING**

<i>Serial number</i>	<i>Name of shareholder</i>	<i>March 31, 2019</i>	
		<i>Number of shares held</i>	<i>% of shares held</i>
1	Sikander Mahmood	10,606,250	35.35%
2	Junaid Shehzad Ahmed	3,000,000	10.00%
3	Paramount Commodities (Private) Limited	2,980,645	9.94%
4	MG Media (Private) Limited	2,078,000	6.93%
5	Nash Advertising (Private) Limited	1,911,000	6.37%
6	Other not more than 5% holding	9,424,105	31.41%
		<u>30,000,000</u>	<u>100%</u>

**24 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, directors of the Company, key management employees and chief executive officer. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions.

Details of transactions with related parties are as under:

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>March 31, 2019 Rupees</i>	<i>March 31, 2018 Rupees</i>
Shareholder	Mr. Sikandar Mehmood	Subordinated loans	-	8,900,000

**25 DATE OF AUTHORIZATION OF ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on APRIL 26, 2019.

**26 GENERAL**

Figures have been rounded off to the nearest rupee.



*Chief Executive*



*Chief Financial Officer*



*Director*



















## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices