



TRUST SECURITIES  
& BROKERAGE LTD

**Annual Report**  
**June 30, 2018**

**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. Umar Daraz

**CHIEF FINANCIAL OFFICER:**

Mr. Muhammad Ahmad

**AUDITORS:**

Reanda Haroon Zakaria & Company  
Chartered Accountants

**INTERNAL AUDITORS:**

H.A.M.D & Company  
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. 608 & 609,  
6<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:**

Room No. 202 & 203, 2<sup>nd</sup> Floor, PSX New Building  
Stock, Exchange Road, Karachi (Pakistan)  
Tel: (92-21) 32460161-8

**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

## Our Mission

To provide our clients premium quality service and deliver optimal return to our shareholders

## Our Vision

To become a leading securities firm and contribute its role in the growth of domestic capital markets and economy

## CODE OF ETHICS

We are strong believer of the fact that Ethics and Good Practices play a vital role in advancement and betterment of the Company. To support our belief, we endeavor our best to follow these ethical and good practices:

1. Trust & Integrity.
2. Fair Treatment.
3. Respectful Treatment.
4. Observance of the Rules and Regulations.
5. Observance of the Interests of the Contracting Parties.
6. Preserve the confidentiality of information communicated by clients within the scope of the Manager-client relationship.
7. Use reasonable care and prudent judgment when managing client assets.
8. Not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.
9. Maximize client portfolio value by seeking best execution for all client transactions.
10. Establish policies to ensure fair and equitable trade allocation among client.
11. Develop and maintain policies and procedures to ensure that their activities comply with the provisions of this Code and all applicable legal and regulatory requirements.
12. Everyone has different needs, preferences and circumstances. They therefore need a portfolio that truly caters to them.
13. Ensure portfolio information provided to clients by the Manager is accurate and complete and arrange for independent third-party confirmation or review of such information.

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE TWENTYFIFTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON SATURDAY, OCTOBER 27, 2018 AT 1:45 P.M. AT SUITE # 608 & 609, 6<sup>TH</sup> FLOOR, BUSINESS & FINANCE CENTRE, I.I. CHUNDRIGAR ROAD, KARACHI TO TRANSACT THE FOLLOWING BUSINESS:-**

**ORDINARY BUSINESS:**

1. To confirm the minutes of the last Extraordinary General Meeting held on November 18, 2017.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' and the Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2018-19 and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and approve additions in Object Clauses of Memorandum of Association of the Company to include operation of business on Pakistan Mercantile Exchange Limited and to pass the following resolution as Special Resolution.:

**“RESOLVED** that the following new clauses No. 15 to 20 be and are hereby inserted in Object Clauses in Memorandum of Association of the Company as per requirement of the Pakistan Mercantile Exchange Limited.”

15. To act as a member of Pakistan Mercantile Exchange Limited and to carry on the business as broker in all Futures Contracts registered with PMEX in or outside Pakistan under broker registration license and subject to meeting all legal and regulatory requirements as specified by the Commission or relevant legal jurisdiction from time to time.
16. To engage in the futures trading in commodities such as gold, cotton, cotton yarn, wheat, rice, sugar and any other commodities as allowed by the Pakistan Mercantile Exchange Limited.
17. To establish ready, future, forward contract and conduct business of commodity in or outside Pakistan and to perform all allied and incidental functions in order to facilitate, set-up and carry on the business of all kind of commodities.
18. To buy and sell all kind of commodities and engage in the export and import business of all kind of commodities.
19. To facilitate the shipment, delivery, loading, carriage by land, sea and air delivery and insurance of commodity and to take such actions as the company may think fit.
20. To open branch or branches in any place in Pakistan or arrange franchise as may appear necessary or desirable to the Company.

**“FURTHER RESOLVED** that the existing clauses No. 15 to 27 be and are hereby renumbered as 21 to 33”.

“**FURTHER RESOLVED** that the Chief Executive / Company Secretary of the Company be and is hereby authorised severally to do all acts to effect the Special Resolutions for the purpose of the addition and rearrangement in the existing Object Clause to comply with all the necessary requirements under the law in this behalf.”

5. To discuss any other matter with the permission of the Chair.

*By Order of the Board*

Sd/-

COMPANY SECRETARY

Karachi  
October 06, 2018

**NOTE:**

A statement of material facts as required under Section 134 (3) of the Companies Act, 2017, covering the Special Business stated at Agenda Item No. 4 above, have been dispatched to the shareholders and also available on the Company's website.

**NOTES:**

1. The register of members will remain closed from October 21, 2018 to October 27, 2018 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint another member as proxy. Proxies must be received at the Company's registered office not less than 48 hours before the meeting and must be duly stamped and signed.
3. Any individual beneficial owner of CDC, entitled to attend and vote at this meeting must bring his/her CNIC or passport to prove his/her identity and in case of proxy, a copy of shareholders attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.
4. The Financial Statements of the Company for the year ended June 30, 2018 will be placed on Company's website <http://tsbl.com.pk> in due course of time.
5. Members who have not yet submitted photocopy of their CNIC and email address are requested to send the same to the Share Registrar of the Company.
6. Video Conference Facility: In terms of the Companies Act, 2017, members residing in other cities and holding at least 10% of the total paid up shares capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at their address at least 7 days prior to the date of the meeting on the standard Form available on the website of the Company.

**STATEMENT UNDER SECTION 134(3)**

In order to expand and enhance the operations of the Company the Board of Directors intends to participate in the business of commodities exchange.

That the above, participation in the business of commodities exchange will not affect any directors' interest directly or indirectly unfavorably in the Company.

## ٹرسٹ سیکورٹیز اینڈ بروکر ٹریڈ لمیٹڈ نوٹس برائے سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ کمپنی کا پچیسواں سالانہ اجلاس مورخہ 27 اکتوبر 2018ء بروز ہفتہ بوقت 1.45PM بجے واقع آفس سوٹ نمبر 608 اور 609، سکسٹھ فلور، بزنس اینڈ فنانس سینٹر، آئی آئی چندریگر روڈ، کراچی میں منعقد ہوگا۔ جس میں مندرجہ ذیل امور کا جائزہ لیا جائے گا۔

### عمومی معاملات

1. گزشتہ غیر معمولی اجلاس عام منعقدہ 18 نومبر 2017ء کے منٹس کی توثیق کرنا
2. مالی سال اختتام پر 30 جون 2018ء کے آڈٹ شدہ مالی تفصیلات بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور اختیار کرنا
3. مالی سال 2018-19 کیلئے آڈیٹرز کی تعیناتی اور معاوضہ مقرر کرنا

### خاص امور

4. پاکستان مرکنٹائل ایکسچینج لمیٹڈ کے کاروبار کے آپریشن میں شامل کرنے کیلئے کمپنی کے میمورنڈم آف ایسوسی ایشن کی بنیادی شق میں اضافہ کا جائزہ اور منظوری، اور مندرجہ ذیل قرارداد کو بطور سپیشل قرارداد منظور کرنا
- فیصلہ کیا جاتا ہے کہ مندرجہ ذیل شق نمبر 15 سے 20 تک کو پاکستان مرکنٹائل ایکسچینج لمیٹڈ کی ضرورت کے مطابق کمپنی کے میمورنڈم آف ایسوسی ایشن کی بنیادی شقوں میں شامل کیا جاتا ہے
15. پاکستان مرکنٹائل ایکسچینج لمیٹڈ کے ممبر کے طور پر کام کرنا اور بروکر رجسٹریشن لائسنس کے تحت PMEX سے رجسٹرڈ پاکستان اور پاکستان سے باہر مستقبل کے تمام معاہدوں میں بروکر کے طور پر کام جاری رکھنا اور کمیشن کی متعین کردہ تمام قانونی اور ریگولیٹری ضروریات کو پورا کرنا یا مختلف اوقات میں متعلقہ قانونی دائرہ کار کے مطابق کام کرنا
16. مستقبل کی تجارت میں سونا، کپاس، سوت، گندم، چاول، چینی یا اس طرح کی دیگر اشیاء کا استعمال جو پاکستان مرکنٹائل ایکسچینج لمیٹڈ کی جانب سے منظور شدہ ہوں۔



17. تیار، مستقبل، جاری کنٹریکٹ قائم کرنا اور پاکستان یا پاکستان سے باہر اشیاء کا کاروبار کرنا اور تمام قسم کی اشیاء کے کاروبار کو سہولیات مہیا کرنے، قائم کرنے اور جاری رکھنے کیلئے تمام متعلقہ امور سرانجام دینا۔

18. تمام قسم کی اشیاء کی خرید و فروخت کرنا اور تمام قسم کی اشیاء کی درآمد اور برآمد کو جاری رکھنا۔

19. اشیاء کی سپینٹ، ڈیلوری، لوڈنگ، زمینی، سمندری اور فضائی ڈیلوری اور اشیاء کی انشورنس اور ان تمام امور کو سرانجام دینا جو کہ کمپنی کی ضرورت ہو۔

20. پاکستان میں کسی بھی جگہ برانچ یا برانچیں کھولنا یا کمپنی کی ضرورت یا خواہش کے مطابق فرینچائز کا اہتمام کرنا

مزید یہ کہ موجودہ شق نمبر 15 سے 27 تک کی ترتیب کو 21 سے 33 کر دیا گیا ہے۔

مزید یہ کہ کمپنی کے چیف ایگزیکٹو / کمپنی سیکرٹری کو علیحدہ سے اختیار دیا گیا ہے کہ وہ اپنے طور پر قانون کے مطابق موجودہ بنیادی شق میں تبدیلی یا شمولیت کیلئے خصوصی قراردادوں پر اثر انداز ہونے کیلئے تمام بنیادی ضروریات کی تعمیل کے حوالے سے ضروری اقدامات کرے۔

5. چیئرمین کی اجازت سے کوئی بھی اور معاملہ زیر بحث لانا۔

بورڈ کے حکم کے ساتھ

بتاریخ: 06 اکتوبر 2018ء

کراچی

Sd/-

کمپنی سیکرٹری

نوٹ:

کمپنیز آرڈیننس ایکٹ 2017ء کی سیکشن (3) 1334 کے تحت تمام مواد کی درستگی کے حوالے سے بیان پیش بزنس جو کہ ایجنڈا 11 نمبر 4 پر بیان کیا گیا ہے، تمام شیئرز ہولڈرز کو بھیج دیا گیا ہے اور کمپنی کی ویب سائٹ پر بھی موجود ہے۔

نوٹس:

1. ممبران کارجرٹ مورخہ 21 اکتوبر 2018ء سے 27 اکتوبر 2018ء (بشمول دونوں دن) بند رہے گا۔

2. کمپنی کا کوئی بھی ممبر جو کہ اس اجلاس میں شرکت کرنے اور ووٹ دینے کا حق رکھتا ہو، اپنی جگہ کسی دوسرے ممبر کو اجلاس میں شرکت کرنے

اور ووٹ دینے کیلئے بطور پراکسی تعینات کر سکتا ہے۔ پراکسی کو کمپنی کے رجسٹرڈ آفس میں اجلاس شروع ہونے سے 48 گھنٹے پہلے بمع دستخط اور مہربانچ جانا چاہئے۔

3. کوئی بھی سی ڈی سی کا فائدہ مند مالک جو کہ اجلاس میں شرکت / ووٹ دینے کا حق رکھتا ہو، سے درخواست ہے کہ سالانہ اجلاس عام میں شرکت کے موقع پر اپنی شناخت ثابت کرنے کیلئے اپنا اصل شناختی کارڈ یا پاسپورٹ ہمراہ لائیں۔ پراکسی کی صورت میں شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔ کارپوریٹ ممبر کے نمائندگان ایسے مقاصد کیلئے درکار عمومی کاغذات اپنے ہمراہ لائیں۔

4. 30 جون 2018ء کو ختم ہونے والے مالی سال کیلئے مالی رپورٹ جلد کمپنی کی ویب سائٹ <http://tsbl.com.pk> پر اپلوڈ کر دی جائے گی۔

5. وہ تمام ممبران جنہوں نے ابھی تک شناختی کارڈ کی نوٹو کاپی اور ای میل ایڈریس نہیں مہیا کیا، ان سے درخواست ہے کہ وہ شناختی کارڈ کی نوٹو کاپی اور ای میل ایڈریس کمپنی کے شیئر رجسٹرار کو ارسال کر دیں۔

6. وڈیو کانفرنس کی سہولت:

کمپنیز ایکٹ 2017ء کے تحت وہ ممبران جو دوسرے شہروں میں رہتے ہیں اور کم از کم 10 فیصد شیئر ہولڈر ہیں، ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت کیلئے درخواست دے سکتے ہیں۔ ویڈیو لنک کی سہولت کیلئے درخواست شیئر رجسٹرار کے دفتر میں سالانہ اجلاس عام کی تاریخ سے 7 دن پہلے کمپنی کی ویب سائٹ پر موجود فارم کے ذریعے جمع کروائی جاسکتی ہے۔

## DIRECTORS' REPORT

### For the Year Ended 30th June, 2018

#### Dear Shareholders,

The directors are pleased to present Audited financial statements of the Company for the year ended 30<sup>th</sup> June 2018 together with auditors' and directors report thereon as per accounting, regulatory and legal requirements.

#### Market Review

During the year FY18, benchmark KSE 100 index witnessed high volatility with persistently lower volumes. At the start of the year, the index opened at 46,523.33 points, and then index reached its pinnacle at 47,241.17 points on August 4th and by December 12th the benchmark index lost all its gains and reached at a critical level of 37,736.73 points. The bullish sentiment was regained and the benchmark index reached 46,828.20 points on 9th April. On the last trading day of FY18, the index closed 41,910.90 points almost declining 10% during the year.

There were obvious reasons behind these wild swings. Political and economic uncertainty was at the forefront of it. Pakistani rupee was devalued significantly; the rupee plunged to PKR 131 versus the US dollar during the year. National reserves reached a critical point with less than three (3) months of import cover and elections amid high uncertainty. Twin deficit; current account deficit and fiscal deficit were one of the most highlighted issues of the year. In FY17-18, imports stood at \$60.86 billion, which was 2.6 times of exports of \$23.22 billion, resulting in a historically high trade deficit of \$37.64 billion in the year. Foreign debt and liabilities soared around 14 percents to \$95.097 billion in the FY17-18.

Pakistan is going through a period of expansion and growth vis-à-vis CPEC, which is a joint venture with China. Along with this, steady FDI is flowing into energy, food, and infrastructure development sectors. During the year multiple acquisitions of local businesses were witnessed by the foreigners. Despite all the uncertainties investor confidence remained upbeat as the local investors absorbed foreign selling and took the charge at the local bourse. New management at PSX is working on introducing new products like ETFs and Options trading which will open new avenues for the investors and will help to bolster the volumes at the local bourse. The brokerage industry is set to grow with the upcoming growth in the economy. Heavy investments are expected in the stock market from the Middle East and Asia-Pacific regions due to the fact that asset valuations at PSX are available at exceptional discounts in comparison to the regional peers.

Presently, the volumes in the equity market are extremely thin which obviously has a negative impact on the bottom line of any brokerage house. It is our opinion, that once the country decides in its foreign currency borrowing, and the new government settles in, then only will the market regain some of the investor confidence and that is when the volumes will re-enter the market. We foresee this happening during calendar year 2018.

Future prospects for TSBL only look to be on the positive side and we expect better results as the market gains confidence and investors re-enter the market.

**Financial results:**

The summarized financial results are as follows:

	<b>2018</b> <b>(Rupees)</b>	<b>2017</b> <b>(Rupees)</b>
Operating Revenue	2,905,421	8,019,005
Gain/(loss) on Sale of Securities	-	120,885
Gain/(loss) on re-measurement of Investments	47,679	(60,898)
	2,953,100	8,078,992
Operating and Administrative expenses	(22,063,568)	(9,736,563)
Finance Cost	(1,083,015)	(11,807)
	(23,146,583)	(9,748,370)
<b>Operating loss</b>	<b>(20,193,483)</b>	<b>(1,669,378)</b>
Other Charges	(80,739)	(2,848,604)
Other income	2,081,988	2,056,919
<b>Loss before Taxation</b>	<b>(18,192,234)</b>	<b>(2,461,063)</b>
Taxation	(368,462)	(128,778)
<b>Loss after Taxation</b>	<b>(18,560,696)</b>	<b>(2,589,841)</b>
<b>Loss per share-basic and diluted</b>	<b>(0.91)</b>	<b>(0.22)</b>

**Performance Review & Right issue**

The Loss of the company for the period ended 30<sup>th</sup> June 2018 amounted to Rs.18,560,696/- (Eighteen Million Five Hundred sixty Thousand Six Hundred Ninety Six Only.) The major reason for loss of revenue are due to Fees and subscriptions which comprises of increase in authorized and paid up capital & Issuance of right shares. Furthermore, the management decided to increase work force & expansion, modernization and upgrading our services quality to facilitate our valued clients. Capital expenditures were also made for renovation and upgrading of office facilities in Head office and opening new branch Offices.

Moreover, brokerage commission being the main source of income for the company has decreased significantly during the year which can be determined by the low volumes and decreased of PSX 100 index from 46,565 to 41,998 points.

During the year under review the company through extra ordinary general meeting has increased its authorized capital from Rs.100 million to Rs.750 million. Subsequently, the Board of Directors in their meeting held on January 05, 2018 decided to raise the paid-up capital of company upto Rs.300 million by issuing the 200% right shares to support the company's operations. Consequently during the period the company has successfully received amount of Rs.200 million against right shares subscription and allotment has been made accordingly.

During the period under review the major shareholding has been acquired by the new management after the approval of Securities and Exchange Commission of Pakistan. The new management has already taken steps for revival of the company in the form of appointment of new professionals and relocating of registered office from Lahore to Karachi to acquire new businesses. The management also expanded the company in terms of experience staff by having research department, incurred capital expenditure on technology.

### Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash-flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Accounting policies have been consistently applied in the accounts, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound and design. It has been effectively implemented by the management and is monitored by the internal and external auditor as well as the Board Of Directors and audit committee. The board reviews the effectiveness of established internal control through audit committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of the corporate governance.
- Summary of key operating and financial data of last six years has been included in this report.
- Pattern of shareholding is annexed to this report.
- During the financial year 2017-2018, various meetings of the Board of Directors were held. The number of meetings and attendance of the Directors was as under:

#### ATTENDANCE REPORT OF DIRECTORS FROM JULY 01, 2017 TO JUNE 30, 2018

S. NO.	NAME OF DIRECTORS	TOTAL MEETINGS	ATTENDANCE
01.	<b>Mr. Abdul Basit</b>	TEN	TEN
02.	<b>Mr. Muhammad Naeem Baig</b> <i>(Resigned on October 3, 2017)</i>	TWO	TWO
03.	<b>Mr. Shibli Muhammad Khan</b> <i>(Resigned on October 3, 2017)</i>	TWO	TWO
04.	<b>Mr. Saeed-ur Rehman</b> <i>(Resigned on September 23, 2017)</i>	ONE	ONE
05.	<b>Mr. Syed Javed Husain</b> <i>(Resigned on June 5, 2018)</i>	TEN	ONE
06.	<b>Syed Nouman Ali Shah</b> <i>(Resigned on September 23, 2017)</i>	ONE	ONE
07.	<b>Mr. Muhammad Ghayas Uddin</b> <i>(Resigned on December 11, 2017)</i>	FOUR	FOUR
08.	<b>Mr. Ahmad Kamal</b> <i>(Resigned on June 5, 2018)</i>	EIGHT	SEVEN
09.	<b>Mr. Muhammad Ashraf</b> <i>(Joined October 3, 2017)</i>	NINE	NINE
10.	<b>Mr. Muhammad Waqas</b> <i>(Resigned on December 11, 2017)</i>	FOUR	FOUR
11.	<b>Mr. Junaid Shehzad Ahmad</b> <i>(Joined October 03, 2017)</i>	EIGHT	ONE
12.	<b>Mr. Khizer Hayat Farooq</b> <i>(Joined December 11, 2017)</i>	SIX	SIX
13.	<b>Mr. Muhammad Talha Razi</b> <i>(Joined December 11, 2017)</i>	THREE	THREE

14.	<b>Mr. Muhammad Khurram Faraz</b> <i>(Joined on June 5, 2018)</i>	ONE	ONE
15.	<b>Mr. Muhammad Ahmed</b> <i>(Joined on June 5, 2018)</i>	ONE	ONE

**Reconstitution of Board Committees**

The Board has reconstituted the following Board Committees

**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. Mr. Muhammad Ashraf                      Member
- 3. Mr. Abdul Basit                      Member

**AUDITORS**

Present auditors M/s. Reanda Haroon Zakaria & Co., Chartered Accountants, are due to retire at forthcoming Annual General Meeting of the company and being eligible, have offered themselves for re-appointment. The audit committee of the board has also recommended their appointment as statutory auditors for the financial year ending June 30, 2019.

**FUTURE OUTLOOK**

After the acquisition, the new management conducted a detailed business analysis to highlight the areas where major reforms were needed. The management firmly believes that it is imperative to create robust processes for every aspect of business in order to grow perpetually year after year. A detailed policy frame work was drafted for the entire organization vis-à-vis internal control and risk management, HR policies and corporate social responsibility.

During the year the company registered office was shifted successfully from Lahore to Karachi while, Lahore office was given the status of branch office. Similarly, a branch office was established at Pakistan Stock Exchange. These measures are in line with the management’s strategic goal of expanding the business in a sustained manner. For the purpose of diversification the new management has acquired the membership of PMEX (Pakistan Mercantile Exchange) and intends to start its operations in the commodity market. The management aims to extend its branch network in the coming year to tap the retail investors located in the different cities of the country.

**ACKNOWLEDGMENT**

We are grateful to the company’s stakeholders for their continuing confidence and patronage. We are appreciative of our bankers, the securities and exchange commission of Pakistan as well as the management of the Pakistan Stock Exchange for their support and guidance.

We pray to Almighty Allah for his blessings, guidance and Prosperity to us, our company and The Nation.

Sd/-

**Muhammad Khurram Faraz**  
**Chairman/Director**  
Karachi

Dated: 28<sup>th</sup> September, 2018.

Sd/-

**Abdul Basit**  
**Chief Executive Officer**

**TRUST SECURITIES & BROKERAGE LIMITED  
BALANCE SHEETS AS AT 30TH JUNE**

	2018	2017	2016	2015	2014	2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property and equipment	1,912,030	1,035,402	3,603,295	3,668,342	3,000,666	1,699,139
Intangibles	4,042,600	1,542,600	1,542,600	1,542,600	1,542,600	1,542,600
Long term investments	2,720,000	2,720,000	2,759,423	2,772,444	3,113,568	3,011,992
Long term deposits	1,825,149	525,149	725,149	925,149	839,149	738,649
	10,499,779	5,823,151	8,630,467	8,908,535	8,495,983	6,992,380
Current Assets	212,782,288	28,732,116	24,761,996	36,111,025	52,721,094	45,155,305
<b>TOTAL ASSETS</b>	<b>223,282,067</b>	<b>34,555,267</b>	<b>33,392,463</b>	<b>45,019,560</b>	<b>61,217,077</b>	<b>52,147,685</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Share Capital and Reserves</b>						
Authorised share capital	750,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Issued, subscribed and paid up capital	300,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
General reserve	-	-	3,500,000	3,500,000	3,500,000	3,500,000
Capital reserve	-	-	27,849	40,870	288,903	187,326
Accumulated losses	(106,323,250)	(87,969,799)	(88,879,958)	(96,693,731)	(80,240,692)	(74,888,183)
	193,676,750	12,030,201	14,647,891	6,847,139	23,548,211	28,799,143
Current Liabilities	29,605,317	22,525,066	18,744,572	38,172,421	37,668,866	23,348,542
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>223,282,067</b>	<b>34,555,267</b>	<b>33,392,463</b>	<b>45,019,560</b>	<b>61,217,077</b>	<b>52,147,685</b>

**TRUST SECURITIES & BROKERAGE LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE**

	2018	2017	2016	2015	2014	2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Operating revenue	2,905,421	8,019,005	4,180,239	6,359,377	6,848,634	5,666,790
Gain / (loss) on sale of securities / remeasurement of investemnts	47,679	59,987	98,043	516,302	34,528	(3,318,643)
	2,953,100	8,078,992	4,278,282	6,875,679	6,883,162	2,348,147
Operating and administrative expenses	(22,063,568)	(9,736,563)	(8,947,797)	(9,055,396)	(8,313,923)	(9,129,031)
Finance cost	(1,083,015)	(11,807)	(10,260)	(9,379)	(9,915)	(8,350)
	(23,146,583)	(9,748,370)	(8,958,057)	(9,064,775)	(8,323,838)	(9,137,381)
Other charges	(20,193,483)	(1,669,378)	(4,679,775)	(2,189,096)	(1,440,676)	(6,789,234)
Other income	(80,739)	(2,848,604)	(973,405)	(15,796,274)	(5,265,425)	(8,737,173)
	2,081,988	2,056,919	13,586,886	1,705,301	1,454,154	1,160,105
Profit / (loss) before taxation	(18,192,234)	(2,461,063)	7,933,706	(16,280,069)	(5,251,947)	(14,366,302)
Taxation	(368,462)	(128,778)	(119,933)	(172,970)	(100,562)	936,697
<b>Profit / (loss) after taxation</b>	<b>(18,560,696)</b>	<b>(2,589,841)</b>	<b>7,813,773</b>	<b>(16,453,039)</b>	<b>(5,352,509)</b>	<b>(13,429,605)</b>
<b>Earnings / (loss) per share - basic &amp; diluted</b>	<b>(0.91)</b>	<b>(0.22)</b>	<b>0.78</b>	<b>(1.65)</b>	<b>(0.54)</b>	<b>(1.34)</b>



**PATTERN OF SHAREHOLDINGS  
AS AT JUNE 30, 2018**

Number of Shareholders	Shareholdings		Total Number of Share Held	Percentage of Total Capital	
	From	To			
118	1	---	100	8,422	0.03
581	101	---	500	262,337	0.87
63	501	---	1,000	58,548	0.20
83	1,001	---	5,000	211,698	0.71
13	5,001	---	10,000	101,400	0.34
4	10,001	---	15,000	52,000	0.17
2	15,001	---	20,000	40,000	0.13
2	20,001	---	25,000	45,500	0.15
4	25,001	---	30,000	111,000	0.37
2	30,001	---	35,000	60,700	0.20
6	35,001	---	40,000	236,000	0.79
5	45,001	---	50,000	249,500	0.83
2	50,001	---	55,000	106,500	0.36
3	55,001	---	60,000	179,000	0.60
1	65,001	---	70,000	69,500	0.23
2	90,001	---	95,000	187,000	0.62
4	95,001	---	100,000	400,000	1.33
1	100,001	---	105,000	104,000	0.35
1	105,001	---	110,000	106,000	0.35
1	120,001	---	125,000	123,000	0.41
1	145,001	---	150,000	150,000	0.50
2	195,001	---	200,000	400,000	1.33
1	200,001	---	205,000	202,500	0.68
1	210,001	---	215,000	215,000	0.72
2	295,001	---	300,000	599,000	2.00
1	640,001	---	645,000	640,500	2.14
1	735,001	---	740,000	736,500	2.46
1	745,001	---	750,000	750,000	2.50
1	765,001	---	770,000	769,000	2.56
1	945,001	---	950,000	950,000	3.17
1	1,480,001	---	1,485,000	1,481,500	4.94
1	1,690,001	---	1,695,000	1,695,000	5.65
1	2,995,001	---	3,000,000	3,000,000	10.00
1	5,090,001	---	5,095,000	5,092,645	16.98
1	10,605,001	---	10,610,000	10,606,250	35.35
<b>915</b>				<b>30,000,000</b>	<b>100.00</b>

**TRUST SECURITIES & BROKERAGE LIMITED  
COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDING  
AS AT JUNE 30, 2018**

Sr. #	Name	Number of share holders	Shares Held	Percentage
<b>Directors, Chief Executive Officer, and their spouse and minor children :</b>				
1	MR. MOHAMMAD AHMED		500	0.00
2	MUHAMMAD TALHA RAZI		11,000	0.04
3	AHMED KAMAL		25,000	0.08
4	MR. MUHAMMAD KHURRAM FARAZ		500	0.00
5	JUNAID SHEHZAD AHMED		3,000,000	10.00
6	KHIZER HAYAT FAROOQ		94,500	0.32
7	MR. MUHAMMAD ASHRAF		1,500	0.01
8	MR ABDUL BASIT		500	0.00
	Total	8	<b>3,133,500</b>	<b>10.45</b>
<b>Associated Companies, Undertakings and Related Parties :</b>				
1	SIKANDER MAHMOOD		10,606,250	35.35
	Total	1	<b>10,606,250</b>	<b>35.35</b>
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions :</b>				
1	FIDELITY INVESTMENT BANK LTD.		4,400	0.01
2	MCB BANK LIMITED - TREASURY		300,000	1.00
3	HAMID ADAMJEE TRUST		950,000	3.17
	Total	3	<b>1,254,400</b>	<b>4.18</b>
<b>Modarbas and Mutual Funds :</b>				
1	TRUST MODARABA		30,200	0.10
	Total	1	<b>30,200</b>	<b>0.10</b>
<b>General Public (Local) :</b>				
	Total	889	<b>8,193,004</b>	<b>27.31</b>
<b>Others :</b>				
1	MRA SECURITIES LIMITED - MF		50,000	0.17
2	HIGHLINK CAPITAL (PVT.) LIMITED		300	0.00
3	SALIM SOZER SECURITIES (PVT.) LTD.		100,000	0.33
4	NASH ADVERTISING (PVT.) LIMITED		1,481,500	4.94
5	MAPLE LEAF CAPITAL LIMITED		1	0.00
6	AZEE SECURITIES (PRIVATE) LIMITED		51,500	0.17
7	RAO SYSTEMS (PVT.) LTD.		1,000	0.00
8	S.H. BUKHARI SECURITIES (PVT) LIMITED		2,500	0.01
9	S.H. BUKHARI SECURITIES (PVT) LIMITED		300	0.00
10	SARFRAZ MAHMOOD (PRIVATE) LTD		500	0.00
11	PARAMOUNT COMMODITIES (PRIVATE) LIMITED		5,092,645	16.98
12	PRUDENTIAL SECURITIES LIMITED		1,900	0.01
13	Y.S. SECURITIES & SERVICES (PVT) LTD.		500	0.00
	Total	13	<b>6,782,646</b>	<b>22.61</b>
	<b>Grand Total</b>	<b>915</b>	<b>30,000,000</b>	<b>100.00</b>

**SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS**

Sr. #	Name	Shares Held	Percentage
1	SIKANDER MAHMOOD	10,606,250	35.35
2	PARAMOUNT COMMODITIES (PRIVATE) LIMITED	5,092,645	16.98
3	JUNAID SHEHZAD AHMED	3,000,000	10.00
4	HAWA HAMEED ADAMJEE	1,695,000	5.65
	<b>Total</b>	<b>20,393,895</b>	<b>67.98</b>

پھیلانے کی حکمتِ عملی کے مطابق ہیں۔ کاروبار میں تنوع پیدا کرنے کے لیے انتظامیہ نے پاکستان مرچنٹائل ایکسچینج (PMEX) کی رکنیت حاصل کی ہے اور یہ Commodity مارکیٹ میں کام شروع کرنے کا بھی ارادہ رکھتی ہے۔ انتظامیہ کا مقصد ہے کہ اپنے برانچ نیٹ ورک کو آنے والے سالوں میں پھیلائے اور مختلف شہروں میں بسنے والے چھوٹے سرمایہ کاروں کو لے آئے۔

اظہارِ تشکر:

کمپنی کے Stakeholders کے مسلسل اعتماد اور شفقت پر ان کے شکر گزار ہیں، ہم اپنے بنکرز SECP کے ساتھ ساتھ پاکستان سٹاک ایکسچینج کی انتظامیہ کی مسلسل حمایت اور رہنمائی پر تعریف کرتے ہیں۔ ہم ہماری کمپنی اور ہمارے ملک کے لیے اللہ تعالیٰ سے رحمتوں، ہدایت اور خوشحالی کے لئے دُعا کرتے ہیں۔

Sd/-

جناب عبدالباسط  
چیف ایگزیکٹو آفیسر

Sd/-

جناب محمد خرم فراز  
چیرمین / ڈائریکٹر

کراچی 28 ستمبر 2018

### بورڈ کمیٹیوں کا دوبارہ تعین:

بورڈ نے مندرجہ ذیل بورڈ کمیٹیوں کو دوبارہ فعال کرنے کا فیصلہ کیا ہے۔

#### آڈٹ کمیٹی:

- 1- جناب جنید شہزاد احمد چیئرمین
- 2- جناب خضر حیات فاروق ممبر
- 3- جناب محمد طلحہ راضی ممبر

#### انسانی وسائل اور معاوضہ کمیٹی:

- 1- جناب خضر حیات فاروق چیئرمین
- 2- جناب محمد اشرف ممبر
- 3- جناب عبدالباسط ممبر

#### آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز میسرز ریانا ہارون ذکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ عام اجلاس میں ریٹائر ہو جائیں گے۔ دوبارہ تقرری کرنے کے لیے اہل ہونے کی بدولت انہوں نے آئندہ سال اختتام 30 جون 2019 کی تعیناتی کے لیے پھر اپنا ادارہ بطور کمپنی آڈیٹر ظاہر کیا ہے۔ بورڈ نے آڈٹ کمیٹی کی سفارشات کی روشنی میں ان آڈیٹرز کی دوبارہ تعیناتی کی سفارش کی ہے۔

#### مستقبل کا نقطہ نظر:

کمپنی کے حصول کے بعد نئی انتظامیہ نے ایک تفصیلی کاروباری جائزہ منعقد کیا ہے تاکہ ایسے شعبوں کو نمایاں کیا جاسکے جہاں اہم اصلاحات ضروری ہیں۔ انتظامیہ کو یقین ہے کہ مسلسل بڑھوتری کے لیے کاروبار کے ہر پہلو کے لیے مضبوط اور جدید طریقوں پر عمل پیرا ہونا ضروری ہے۔ انٹرنل کنٹرول، رسک مینجمنٹ، انسانی وسائل کی پالیسی اور کارپوریٹ سماجی ذمہ داریوں کے حوالے سے ایک تفصیلی پالیسی فریم ورک کا مسودہ بنایا گیا ہے جسے پوری تنظیم کے لوگوں تک پہنچا دیا گیا ہے۔

سال کے دوران کمپنی کارجرٹڈ آفس کامیابی سے لاہور سے کراچی منتقل ہو گیا ہے۔ لاہور آفس کو برانچ آفس کا درجہ دے دیا گیا ہے۔ اس طرح ایک برانچ آفس پاکستان اسٹاک ایکسچینج میں بنایا گیا ہے یہ اقدامات برقرار رکھنے اور کاروبار کو

- پچھلے چھ سالوں کے آپریٹنگ اور مالیاتی نتائج کا خلاصہ اس رپورٹ میں شامل کیا گیا ہے۔
- حصص داری کا اجمال اس رپورٹ کے ساتھ لف ہے۔
- سال 2017-2018 کے دوران بورڈ آف ڈائریکٹرز کے کئی اجلاس منعقد ہوئے جن میں میٹنگ اور ڈائریکٹرز کی حاضری درج ذیل ہے:-

ڈائریکٹرز کی حاضری رپورٹ یکم جولائی 2017 سے لے کر 30 جون 2018 تک:

نمبر شمار	نام	اجلاس کی تعداد	حاضری
1	جناب عبدالباسط	10	10
2	جناب محمد نعیم بیگ (3 اکتوبر 2017 استعفیٰ)	02	02
3	جناب شبلی محمد خان (3 اکتوبر 2017 استعفیٰ)	02	02
4	جناب سعید الرحمن (23 ستمبر 2017 استعفیٰ)	01	01
5	جناب سید جاوید حسین (5 جون 2018 استعفیٰ)	10	01
6	جناب سید نعمان علی شاہ (23 ستمبر 2017 استعفیٰ)	01	01
7	جناب محمد غیاث الدین (11 دسمبر 2017 استعفیٰ)	04	04
8	جناب احمد کمال (5 جون 2018 استعفیٰ)	08	07
9	جناب محمد اشرف (3 اکتوبر 2017 تعیناتی)	09	09
10	جناب محمد وقاص (11 دسمبر 2017 استعفیٰ)	04	04
11	جناب جنید شہزاد احمد (3 اکتوبر 2017 تعیناتی)	08	01
12	جناب خضر حیات فاروق (11 دسمبر 2017 تعیناتی)	06	06
13	جناب محمد طلحہ راضی (11 دسمبر 2017 تعیناتی)	03	03
14	جناب محمد خرم فراز (5 جون 2018 تعیناتی)	01	01
15	جناب محمد احمد (5 جون 2018 تعیناتی)	01	01

زیر غور سال کے دوران کمپنی نے ایکسٹرا آرڈنری جنرل میٹنگ کے ذریعے اپنا آتھورائزڈ کیپیٹل 100 ملین سے بڑھا کر 750 ملین کر دیا ہے جس کے بعد بورڈ آف ڈائریکٹرز نے اپنی میٹنگ میں جو کہ 5 جنوری 2018 کو منعقد ہوئی تھی، کمپنی کے آپریشنز میں بہتری لانے کے لیے 200 فیصد رائٹ شیئرز کا اجراء کر کے کمپنی کا پیڈ اپ کیپیٹل 300 ملین روپے کرنے کا فیصلہ کیا تھا۔ چنانچہ کمپنی نے اس دورانہ میں رائٹ شیئرز کے اجراء کی مد میں 200 ملین روپے سبسکریپشن کی رقم وصول کی اور شیئرز الاٹ کر دیئے۔

زیر غور سال کے دوران سیکورٹیز اینڈ ایکسچینج کمیشن (SECP) کی منظوری کے بعد نئی انتظامیہ نے کمپنی کے زیادہ تر شیئرز لے لیے ہیں۔ نئی انتظامیہ نے کمپنی کی بحالی کے لیے اقدامات کیے ہیں جن میں بروڈ فینشل لوگوں کی تعیناتی اور کمپنی کے رجسٹرڈ آفس کی لاہور سے کراچی منتقلی شامل ہے تاکہ کاروبار کو بڑھا جاسکے۔ انتظامیہ نے کمپنی میں تجربہ کار اسٹاف کی تعداد کو بڑھانے اور تحقیقی شعبہ بنانے میں بھی سرمایہ کاری کی ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

- مالی دستاویزات کمپنی کی انتظامیہ کی جانب سے تیار کیے جاتے ہیں جو کہ اسکے کام کرنے کے طریقے کو ظاہر کرتے ہیں، یہ آپریشنز کے نتائج فلو اور سرمایہ میں تبدیلی کو شفاف انداز میں بیان کرتی ہیں۔
- کمپنی کے اکاؤنٹس کی باقاعدہ کتب بنائی ہیں۔
- اکاؤنٹنگ پالیسیز تسلسل کے ساتھ اکاؤنٹس پر لاگو کی جاتی ہیں۔ مالی دستاویزات اور اکاؤنٹنگ اندازے کی تیاری مناسب اور دانشمندانہ فیصلوں کی بنیاد پر ہوتی ہے۔
- جن IFRS's کا اطلاق پاکستان میں ہوتا ہے ان پر عمل کیا گیا ہے اور اگر اس پر عمل درآمد نہیں ہوا تو اسکی مناسب طور پر وضاحت کی گئی ہے۔
- اندرونی کنٹرول کا مضبوط نظام بنایا گیا ہے۔ اسے انتظامیہ کی جانب سے مناسب طریقے سے لاگو کیا گیا ہے اور انٹرنل اور ایکسٹرنل آڈیٹر، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی جانب سے اسکی نگرانی کی جاتی ہے۔ بورڈ بذریعہ آڈٹ کمیٹی انٹرنل کنٹرول کے موثر ہونے کے بارے میں جائزہ لیتا ہے اور ضرورت کے مطابق انٹرنل کنٹرول کے نظام میں بہتری کی تجاویز دیتا ہے۔
- کاروبار جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی قابل ذکر شبہات نہیں ہیں۔
- کارپوریٹ کے بہترین طریقوں سے ہٹنے کی کوئی رپورٹ نہیں ہے۔

## مالیاتی نتائج:

خلاصہ مالیاتی نتائج درج ذیل ہے:-

2017	2018	
(روپے)	(روپے)	
8,019,005	2,905,421	آپریٹنگ آمدنی
120,885	-	حصص کی فروخت پر منافع
<u>(60,898)</u>	<u>47,679</u>	سرمایہ کاری کی دوبارہ پیمائش پر منافع / (نقصان)
8,078,992	2,953,100	
<u>(9,736,563)</u>	<u>(22,063,568)</u>	آپریٹنگ اور انتظامی اخراجات
(11,807)	(1,083,015)	فنانس لاگت
<u>(9,748,370)</u>	<u>(23,146,583)</u>	
(1,669,378)	(20,193,483)	آپریٹنگ نقصان
(2,848,604)	(80,739)	دوسرے اخراجات
<u>2,056,919</u>	<u>2,081,988</u>	دوسری آمدنی
(2,461,063)	(18,192,234)	ٹیکس سے پہلے نقصان
<u>(128,778)</u>	<u>(368,462)</u>	ٹیکس
<u>(2,589,841)</u>	<u>(18,560,696)</u>	ٹیکس کے بعد نقصان
<u>(0.22)</u>	<u>(0.91)</u>	نقصان فی حصص

## کارکردگی کا جائزہ اور رائٹ ایشو:

اختتام سال 30 جون 2018 کے دوران کمپنی کا نقصان 18,560,696 روپے رہا۔ آمدنی میں کمی کی بنیادی وجہ فیس اور سبسکرپشن رہی جو آتھورائزڈ اور پیڈ اپ کیپٹل میں اضافے اور رائٹ شیئرز کے اجراء پر ادا کرنا پڑتی ہے۔ مزید برآں انتظامیہ نے اپنے معزز سرمایہ کاروں کی سہولت کے لیے کام کرنے والوں کی تعداد میں اضافہ کرنے اور کام میں جدت لانے کا فیصلہ کیا ہے۔ نئی برانچز کا افتتاح کرنے اور ہیڈ آفس کی تزئین و آرائش پر سرمایہ کاری کی گئی ہے۔ دوران سال بروکر کی کمیشن میں واضح کمی آئی ہے جو کمپنی کی آمدن کا اصل ذریعہ ہے جس کی وجہ تجارتی حجم میں کمی اور PSX100 انڈیکس کا 46,565 پوائنٹس سے 41,998 پوائنٹس کی سطح پر آنا ملاحظہ کی جاسکتی ہیں۔

مالی سال 2018-2017 کے دوران بیرونی قرضے اور واجب الادا ذمہ داریاں تقریباً 14 فیصد بڑھ کر 95.097 بلین ڈالر تک پہنچ چکی ہیں۔

پاکستان توسیع اور ترقی کے دور سے گزر رہا ہے، اس میں سی پیک (CPEC) نمایاں ہے جو کہ چین کے ساتھ مشترکہ منصوبہ ہے۔ اس کے ساتھ ساتھ خوراک، انرجی، انفراسٹرکچر اور ترقی کے شعبوں میں مستقل FDI آرہی ہے۔ اس سال کے دوران غیر ملکیوں کی جانب سے مقامی کاروبار کا حصول دیکھنے میں آیا ہے۔ تمام غیر یقینی صورتحال کے باوجود سرمایہ کاروں کا اعتماد متزلزل رہا۔ غیر ملکیوں کی جانب سے فروخت کاری کے رجحان کو مقامی سرمایہ کاروں نے جذب کر لیا، جنہوں نے (Local Bourse) میں جگہیں سنبھال لی ہیں۔ PSX کی نئی انتظامیہ مقامی بروکر ہاؤسز میں حجم کو بڑھانے اور سرمایہ کاروں کو مزید مواقع فراہم کرنے کیلئے نئی پراڈکٹس جن میں ETF's اور آپشنز ٹریڈنگ شامل ہے، کیلئے کام کر رہی ہے۔ اکانومی میں بہتری کے ساتھ ساتھ بروکر تچ انڈسٹری میں بھی بہتری آئے گی۔ PSX میں اثاثوں کی مالیت باقی ممالک کی نسبت انتہائی کم ہے، جس کی بدولت قومی امید ہے کہ مڈل ایسٹ اور ایشیا پیسیفک ممالک سے بھاری سرمایہ کاری یہاں آئے گی۔

ان دنوں ایکویٹی مارکیٹ (Equity Market) میں تجارتی حجم بہت کم ہے، جسکے اثرات تمام بروکر تچ ہاؤسز کے مالیاتی نتائج پر مرتب ہو رہے ہیں۔ ہمارے خیال سے ایک مرتبہ ملک اپنے بیرونی کرنسی میں قرضوں کے متعلق کوئی فیصلہ لے اور نئی حکومت کچھ سیٹ ہو تبھی سرمایہ کار کا اعتماد بحال ہو سکے گا اور تبھی مارکیٹ میں تجارتی حجم میں اضافہ ہو گا۔ ہم کیلنڈر سال 2018 میں ایسا ہوتے دیکھنے کی امید رکھتے ہیں۔ TSBL کے مستقبل کے معاملات مثبت نظر آتے ہیں۔ مارکیٹ میں اعتماد کی بحالی اور سرمایہ کار کی مارکیٹ میں واپسی سے ہم بہتر نتائج کی توقع رکھتے ہیں۔



## ڈائریکٹرز رپورٹ

عزیز حصص داران:

ڈائریکٹرز کی جانب سے 30 جون 2018 کے پڑتال شدہ مالی گوشوارے ہمراہ آڈیٹرز رپورٹ بمطابق ریگولیٹری اور اکاؤنٹنگ ضروریات پیش کرنا باعث مسرت ہے۔

### مارکیٹ کے حالات پر نظر:

مالی سال 2018 کے دوران (KSE-100) انڈیکس میں مسلسل اتار چڑھاؤ دیکھا گیا جبکہ حجم میں کمی دیکھنے میں آئی۔ سال کے آغاز میں انڈیکس 46,523.33 پوائنٹس پر کھڑا تھا۔ دوران سال 4 اگست تک انڈیکس 47,241.17 پوائنٹس کی بلند ترین سطح پر پہنچا جبکہ 12 دسمبر تک کم ہو گیا اور انڈیکس 37,736.37 پوائنٹس کی نازک سطح پر آ پہنچا۔ بہر حال بلیش ٹرینڈ (Bullish Trend) کو دوبارہ حاصل کیا گیا اور 9 اپریل کو بنچ مارک (Bench Mark) انڈیکس 46,828.20 پوائنٹس کی سطح پر جا پہنچا اور مالی سال 2018 کے آخری کاروباری دن انڈیکس دوران سال 10 فیصد کمی کے ساتھ 41,910.90 پوائنٹس کی سطح پر بند ہوا۔

اس غیر یقینی اتار چڑھاؤ کے پیچھے مخصوص وجوہات تھیں۔ سیاسی اور سماجی غیر یقینی صورتحال ان میں سرفہرست تھیں۔ اس کے علاوہ پاکستانی روپے کی قدر میں نمایاں کمی ہوئی۔ سال کے دوران روپیہ ڈالر کے مقابلہ میں 131 روپے تک گر گیا۔ قومی خزانے میں خطرناک حد تک کمی ہوئی جہاں صرف 3 ماہ کیلئے درآمدی ادائیگیوں کی گنجائش رہ گئی جبکہ دوران سال ایکشن نے اس صورتحال کو مزید غیر یقینی بنا دیا۔ مالیاتی اور کرنٹ اکاؤنٹ دونوں میں خسارہ سال کا نمایاں مسئلہ رہے۔ مالی سال 2017-2018 کے دوران درآمدات 60.86 بلین ڈالر رہی جو کہ برآمدات 23.22 بلین ڈالر 2.66 گنا تھیں۔ جس کے نتیجے میں سال کے دوران تجارتی خسارہ 37.6 بلین ڈالر کی ریکارڈ سطح پر جا پہنچا۔

**STATEMENT OF COMPLIANCE WITH LISTED  
COMPANIES (CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2017**

**TRUST SECURITIES & BROKERAGE LIMITED  
FOR THE YEAR ENDED JUNE 30, 2018**

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (The regulations) in the following manner:

1. The total numbers of directors are Seven (07) as per following:

- a) MALE : Seven (07)  
b) FEMALE : NIL

2. The composition of Board is as follows:

Category	Names
Independent Directors	a) Mr. Khizer Hayat Farooq b) Mr. Junaid Shehzad Ahmed
Other Non-Executive Directors	c) Mr. Muhammad Talha Razi d) Mr. Muhammad Ashraf e) Mr. Muhammad Khurram Faraz
Executive Directors	f) Mr. Abdul Basit g) Mr. Muhammad Ahmad

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provision of the act and these regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors are expected to obtain requisite certifications under Directors’ Training Programs in future in order to comply with the requirements of CCG.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, however the approval of CFO under clause 23(c) were inadvertently not obtained at the time of appointment. The company is in the process to appoint new CFO in accordance with clause 23 of the Regulation.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed Committees comprising of members given below:

**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. | Mr. Muhammad Ashraf     | Member   |
| 3. | Mr. Abdul Basit         | Member   |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 

a) Audit committee:	4
b) HR and remuneration committee:	1
15. The Board has outsourced the internal audit function to a firm of Chartered Accountant who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the regulations have been complied with.

**Sd/-**

**MUHAMMAD KHURRAM FARAZ**  
**CHAIRMAN**

**Karachi.**  
**Dated: September 28, 2018**

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Trust Securities and Brokerage Limited

## Review Report on the Statement of Compliance contained in listed companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Trust Securities and Brokerage Limited** ("the Company") for the year ended June 30, 2018 in accordance with the requirement of regulation 40 of the Regulation.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the Related party transaction by the board of directors upon recommendations of the Audit committee. We have not carried out procedures to assess and determine the company's process for identification of the related party and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note reference where it is stated in the Statement of Compliance:

<i>S. No</i>	<i>Note Reference</i>	<i>Description</i>
1.	10	The Company is in process to appoint new Chief Financial Officer in accordance with newly promulgated "Listed Companies (Code of Corporate Governance) Regulation, 2017

Sd/-

**Reanda Haroon Zakaria & Company**  
Chartered Accountants

**Place:** Karachi  
**Date:** September 28, 2018

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TRUST SECURITIES AND BROKERAGE LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of **Trust Securities and Brokerage Limited**, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss, comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

No.	Key Audit Matters	How the matter was addressed in our Audit
1	<p>The Companies Act, 2017 promulgated on May 30, 2017. The Companies Act, 2017 revised and replaced the Fourth Schedule of the Companies Ordinance, 1984. There were many changes in the presentation and disclosures of the financial statements in the revised fourth schedule. These changes are applicable financial statements of the Company for the year ended June 30, 2018.</p> <p>The changes are considered as a key audit matter because compliance with the requirements of Companies Act, 2017 is mandatory for all companies using this act as their Applicable Financial Reporting Framework.</p> <p>Refer note 2, 4.1 and 30 for changes in disclosure made through the Companies Act, 2017.</p>	<p>In order to address the matter we:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the related provisions and schedules of the Companies Act, 2017. The applicable changes were discussed with the Company's management and those charged with governance, in order to assess the Company's compliance with such changes.</li> <li>2. Maintained a high level of professional skepticism when carrying out other audit procedures to detect any non-compliance.</li> <li>3. Ensured that the financial statements have been prepared in accordance with the applicable financial reporting framework.</li> </ol> <p>Based on our audit procedures we found the Company to be in compliance with the Companies Act, 2017 provisions.</p>
2	<p>During the year, Company has obtained subordinated loan from its shareholder. In the unaudited financial statements, for the half year ended December 2017, this loan was classified as a long term loan. And accordingly, the loan was amortized in accordance with IAS 39.</p> <p>For the year ended 30 June 2018, this loan has been reclassified as short term loan and present value adjustment calculated earlier was reversed.</p>	<p>In order to address the matter we:</p> <ol style="list-style-type: none"> <li>1. Obtained board resolution for repayment of this loan within one year.</li> <li>2. Obtained Securities and Exchange Commission of Pakistan's approval for repayment of subordinated loan in accordance with Circular 888 / 2017.</li> <li>3. Checked the repayment in subsequent period.</li> </ol>

No.	Key Audit Matters	How the matter was addressed in our Audit
	<p>The matter is considered as a key audit matter because compliance with relevant circular and Securities Brokers (Licensing and Operations) Regulation, 2016 is mandatory, where ever applicable.</p> <p>Refer note 18 to the financial statements.</p>	<p>Based on our audit procedures we found that the subordinated loan was fairly presented in the financial statements.</p>
3	<p>The company has maintained a provision for doubtful debts amounting to Rs 53.898 million. Material portion of the provision has been carried forward from previous years.</p> <p>Provisions are made against trade receivables after assessing Company’s historical experience of recovery from clients and assessing ageing analysis of the Company.</p> <p>The matter is considered as a key audit matter because; there is significant judgment involved in computation of provision for doubtful debts, particularly regarding the estimation of future recovery.</p> <p>Refer note 12 to these financial statements</p>	<p>In order to address the matter we:</p> <ol style="list-style-type: none"> <li>1. Reviewed the ageing analysis prepared by the management.</li> <li>2. Traced the parties against whom the provision was made to check whether any recovery was made from them.</li> <li>3. Considered identification of any related party relationship from any such customer.</li> <li>4. Also considered any further business with such customers to detect any misstatement.</li> </ol> <p>Based on our audit procedure we found provision for doubtful debt to be satisfactory.</p>

**Information Other than Financial Statements and Auditor’s Report Thereon**

Management is responsible for other information. Other information comprises the information included in the annual report for the year ended June 30, 2018, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, information, we are required to report that fact. We have nothing to report in this regard.



**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor’s report is Zakaria.

**Sd/-**

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

**Place:** Karachi

**Dated:** September 28, 2018

STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	6	1,912,030	1,035,402
Intangibles	7	4,042,600	1,542,600
Long term investments	8	2,720,000	2,720,000
Long term deposits	9	1,825,149	525,149
Deferred taxation	10	-	-
		<b>10,499,779</b>	<b>5,823,151</b>
<b>Current Assets</b>			
Short term investments	11	288,240	180,561
Trade debts	12	20,585,123	2,178,629
Receivables from margin financing	13	9,661,801	-
Advances, deposits, prepayments and other receivables	14	54,610,033	3,232,925
Tax refunds due from government	15	2,364,431	1,609,204
Cash and bank balances	16	125,272,660	21,530,797
		<b>212,782,288</b>	<b>28,732,116</b>
<b>Total Assets</b>		<b>223,282,067</b>	<b>34,555,267</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (2017 : 10,000,000) Ordinary shares Ordinary shares) of Rs. 10 each		<b>750,000,000</b>	<b>100,000,000</b>
Issued, subscribed and paid-up capital	17	<b>300,000,000</b>	<b>100,000,000</b>
<b>Reserves</b>			
Accumulated losses		<b>(106,323,250)</b>	<b>(87,969,799)</b>
<b>Shareholders' Equity</b>		<b>193,676,750</b>	<b>12,030,201</b>
<b>Current Liabilities</b>			
Subordinated loans	18	<b>8,900,000</b>	-
Trade and other payables	19	<b>20,705,317</b>	<b>22,525,066</b>
		<b>29,605,317</b>	<b>22,525,066</b>
<b>Contingency and Commitment</b>	20	-	-
<b>Total Equity and Liabilities</b>		<b>223,282,067</b>	<b>34,555,267</b>

The annexed notes form an integral part of these financial statements

Sd/-

Chief Executive

Sd/-

Chief Financial Officer

Sd/-

Director

STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2018

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
Operating revenue	21	2,905,421	8,019,005
Gain on sale of securities		-	120,885
Gain / (loss) on remeasurement of investments		47,679	(60,898)
		<u>2,953,100</u>	<u>8,078,992</u>
Operating and administrative expenses	22	<u>(22,063,568)</u>	<u>(9,736,563)</u>
Finance cost	23	<u>(1,083,015)</u>	<u>(11,807)</u>
		<u>(23,146,583)</u>	<u>(9,748,370)</u>
<b>Operating loss</b>		<b>(20,193,483)</b>	<b>(1,669,378)</b>
Other charges	24	(80,739)	(2,848,604)
Other income	25	2,081,988	2,056,919
<b>Loss before taxation</b>		<b>(18,192,234)</b>	<b>(2,461,063)</b>
Taxation	26	(368,462)	(128,778)
<b>Loss after taxation</b>		<b>(18,560,696)</b>	<b>(2,589,841)</b>
<b>Loss per share - basic and diluted</b>	27	<b>(0.91)</b>	<b>(0.22)</b>

The annexed notes form an integral part of these financial statements

Sd/-

*Chief Executive*

Sd/-

*Chief Financial Officer*

Sd/-

*Director*

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>Loss for the year</b>	<b>(18,560,696)</b>	<b>(2,589,841)</b>
Other comprehensive Income/(loss)	-	-
<b>Total comprehensive loss for the year</b>	<b><u>(18,560,696)</u></b>	<b><u>(2,589,841)</u></b>

The annexed notes form an integral part of these financial statements

Sd/-

*Chief Executive*

Sd/-

*Chief Financial Officer*

Sd/-

*Director*

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2018

	Share Capital	Reserves				Shareholders' Equity
		Capital Value Reserve	General Reserve	Revenue Accumulated Losses	Sub Total	
----- Rupees -----						
Balance as at June 30, 2016	100,000,000	27,849	3,500,000	(88,879,958)	(85,379,958)	14,647,891
<b>Total comprehensive profit for the year</b>						
Loss for the year ended June 30, 2017	-	-	-	(2,589,841)	(2,589,841)	(2,589,841)
<b>Other Comprehensive income</b>						
Transfer of general reserves	-	-	(3,500,000)	3,500,000	-	-
Reserve transferred to profit & loss on disposal of investments available for sale	-	(27,849)	-	-	(27,849)	(27,849)
<b>Total comprehensive loss for the year ended June 30, 2017</b>						
Balance as at June 30, 2017	100,000,000	-	-	(87,969,799)	(87,969,799)	12,030,201
<b>Total comprehensive profit for the year</b>						
Loss for the year ended June 30, 2018	-	-	-	(18,560,696)	(18,560,696)	(18,560,696)
Present value adjustment of subordinated loan at initial recognition	-	-	-	1,110,696	1,110,696	1,110,696
Reversal of present value adjustment of subordinated loan (Note 18)	200,000,000	-	-	(903,451)	(903,451)	(903,451)
Issuance of shares	-	-	-	-	-	200,000,000
<b>Total comprehensive profit/ (loss) for the year ended June 30, 2018</b>						
Balance as at June 30, 2018	200,000,000	-	-	(18,353,451)	(18,353,451)	181,646,549
	300,000,000	-	-	(106,323,250)	(106,323,250)	193,676,750

Balance as at June 30, 2016

**Total comprehensive profit for the year**

Loss for the year ended June 30, 2017

**Other Comprehensive income**

Transfer of general reserves

Reserve transferred to profit & loss on disposal of investments available for sale

**Total comprehensive loss for the year ended June 30, 2017**

Balance as at June 30, 2017

**Total comprehensive profit for the year**

Loss for the year ended June 30, 2018

Present value adjustment of subordinated loan at initial recognition

Reversal of present value adjustment of subordinated loan (Note 18)

Issuance of shares

**Total comprehensive profit/ (loss) for the year ended June 30, 2018**

Balance as at June 30, 2018

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

Sd/-

Chief Executive

Sd/-

Chief Financial Officer

Sd/-

Director

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018

	2018 <i>Note</i>	2017 <i>Rupees</i>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(18,192,234)	(2,461,063)
Adjustment for non-cash charges and other items		
Depreciation	172,559	144,289
Provision for doubtful debts	80,739	2,848,604
Finance cost	1,083,015	-
Impairment cost	30,000	-
Reversal of provision for doubtful debts	(506,912)	(611,992)
Reversal of provision for impairment	-	(6,150)
Gain on sale of fixed assets	-	(333,276)
Unrealised (gain) / loss on remeasurement of investment	(47,679)	60,898
	<u>811,722</u>	<u>2,102,373</u>
	(17,380,512)	(358,690)
<b>Changes in Working Capital:</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts	(17,980,321)	129,099
Receivables from margin financing	(9,661,801)	-
Advances, deposits, prepayments and other receivables	(51,377,108)	(2,964,938)
	<u>(79,019,230)</u>	<u>(2,835,839)</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(1,819,749)	3,780,494
<b>Cash generated from / (used in) operations</b>	<u>(98,219,491)</u>	<u>585,965</u>
Taxes paid	(1,123,689)	(858,578)
Finance cost paid	(875,770)	-
Long term deposits - net	(1,300,000)	200,000
<b>Net cash used in operating activities</b>	<u>(101,518,950)</u>	<u>(72,613)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(649,187)	(54,000)
Capital work in progress	(400,000)	-
Purchase of intangibles	(2,500,000)	-
Proceeds from sale of property and equipment	-	2,810,880
Investments - net	(90,000)	472,015
<b>Net cash (used in) / generated from investing activities</b>	<u>(3,639,187)</u>	<u>3,228,895</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from subordinated loans	8,900,000	-
Proceeds from issuance of right shares	200,000,000	-
<b>Net cash generated from financing activities</b>	<u>208,900,000</u>	<u>-</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u>103,741,863</u>	<u>3,156,282</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>21,530,797</u>	<u>18,374,515</u>
<b>Cash and cash equivalents at end of year</b>	<u>16</u> <u>125,272,660</u>	<u>21,530,797</u>

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

Sd/-

Chief Executive

Sd/-

Chief Financial Officer

Sd/-

Director



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 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. 608, 6th 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.
- During the year the company has incurred loss after taxation amounting to Rs.18.560 (2017 : Rs.2.589) million. However, the company has sufficient current assets to settle its liabilities.
- The companies has invested Rs.9.662 million in Margin Financing during the year, which will generate revenue in next financial year.
- The company has also invested Rs.37.804 (2017 : Rs.3.00) million in Margin Deposits with National Clearing Company of Pakistan (NCCPL) for Ready and Future exposures. The increase in margin will ultimately facilitate the Company and its Customer to execute trades and will result in more brokerage income and capital gains.

**2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

- 2.1** Due to the applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the fourth schedule notified by the Securities and Exchange commission of Pakistan vide S.R.O 1169 dated November 7, 2017.
- 2.2** The financial statements include disclosure requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as notified by the Securities and Exchange Commission of Pakistan vide S.R.O 569(I) / 2016 dated June 24, 2016.
- 2.3** The company has increased its authorized capital by Rs. 650 million during the year in Extra Ordinary General Meeting held on 18 November 2017. The company has also increased its paid-up capital by Rs. 200 million during the year through right issue.
- 2.4** During the year the majority shareholding of the company has been changed. Details of pattern of shareholding has been disclosed in note 17.1 to these financial statements.
- 2.5** Operating and administrative expenses are increased mainly because of increase in salaries because of appointment of new staff and increase in fee and subscription (due to increase in authorized and paid up capital).
- 2.6** Operating revenue (brokerage commission) from retail customers has decreased significantly during the year. The major reason for loss of revenue is the loss of overall individual investors' confidence in the stock market, which is evident from decrease in PSX 100 index from 46,565 to 41,998 points.

### 3 **STATEMENT OF COMPLIANCE**

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

- International Financial reporting standards (IFRS standards), issued by international Accounting standards Board (IASB) as notified under 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 from IFRS standards, the provisions of and directives issued under the companies Act, 2017 have been followed.

### 4 **BASIS OF PREPARATION**

#### 4.1 **Basis of Measurement**

These Financial Statements have been prepared under the historical cost convention, except that certain investments are stated at fair value.

#### 4.2 **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.

#### 4.3 **Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

#### **Property and equipment**

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

***Intangible assets***

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortization charge and impairment.

***Trade debts***

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

***Income taxes***

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

***4.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective***

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

***4.5.1 New standards***

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7        Statement of Cash Flows - Disclosure initiative - (Amendment)

IAS 12       Income taxes - Recognition of Deferred tax Assets for unrealized losses (Amendments)

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

***4.5.2 Standards, amendments and improvements to approved accounting standards that are not yet effective***

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

<b><i>Standard or Interpretation</i></b>	<b><i>Effective date (annual periods beginning on or after)</i></b>
IFRS 2        Share Based Payments - Classification and Measurement of Share Based payments Transactions (Amendment)	01 January 2018
IFRS 9        Financial instruments	01 July 2018
IFRS 9        Prepayment Features with Negative Compensation - (Amendments)	01 January 2018

<i>Standard or Interpretation</i>	<i>Effective date (annual periods beginning on or after)</i>
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 Revenue from Contracts with Customers	01 July 2018
IFRS 16 Leases	01 January 2019
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts - (Amendments)	01 January 2018
IAS 40 Investment Property - Transfer of Investment Property (Amendments)	01 January 2018
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 Long term interests in Associates and Joint ventures (Amendments)	01 January 2019
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 Uncertainty over Income Tax Treatment	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for 'FRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<i>Standard or Interpretation</i>	<i>Effective date (annual periods beginning on or after)</i>
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 17 - Insurance Contracts	01 January 2021

## **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **5.1 Property and Equipment**

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Depreciation is charged to income using the reducing method at the rates specified in the relevant note. Monthly depreciation is charged on additions during the month while no depreciation is charged on assets in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal of an asset is charged to profit and loss account.

The Company reviews the useful lives and residual value of its assets on regular basis . Any change in the estimates in future years might affect the carrying amounts of the respective items of property, equipment with a corresponding effect on the depreciation charge.

### **5.2 Capital work in progress**

Capital work-in-progress is stated at cost accumulated upto the balance sheet date less impairment if any. Transfer are made to relevant property, plant and equipment category as and when assets are available for their intended use.

### **5.3 Intangible Assets**

An intangible asset is recognized as an assets if it is probable that economic benefits attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss account when the asset is derecognized.

#### **5.4 Investments**

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction costs associated with the investment, except in case of investments at fair value through profit and loss, in which case these transaction costs are charged to the profit and loss account. These are classified and measured as follows:

##### ***Held to maturity investments***

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investment. Held-to-maturity investments are carried at amortized cost using the effective interest rate method less any accumulated impairment losses.

##### ***Investments at fair value through profit or loss***

Investments which are acquired principally for the purposes of generating profit from short term fluctuations in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified under this category. After initial recognition, these are re-measured at fair value. Gains or losses on re-measurement of these investments are recognized in the profit and loss account currently.

##### ***Available-for-sale***

Investments which are not classified in preceding category is classified as available- for-sale investments. After initial recognition, these investments are re-measured at fair value. Surplus / deficit arising from re-measurement are taken to other comprehensive income until the investments are sold / disposed-off or until the investments are determined to be impaired, at which time, cumulative gain or loss previously reported in the other comprehensive income is included in the current year's profit and loss account.

Subsequent to initial measurement, equity instruments that do not have a quoted market price in an active market and whose fair value can not be reliably measured are stated at cost less impairment value, if any.

#### **5.5 Trade debts**

Trade debts originated by the company are recognized and carried at original invoice amount less provision for doubtful debt. And estimated provision is made when collection of the full amount no longer payable. Bad debts are written off as and when identified. The company follows settlement date accounting.

#### **5.6 Advances, deposits, prepayments and other receivables**

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each balance sheet date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount.

Other receivables are recognized and carried at cost which is the fair value of the consideration to be received in the future for goods and services

#### **5.7 Cash and cash equivalents**

These include cash in hand and bank balances and are carried at cost.

### **5.8 *Employees compensated absences***

Provision for liabilities towards employees compensated absences is made on the basis of unavailed leave balances, for all its permanent employees who have completed minimum qualifying period.

### **5.9 *Trade and other payables***

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received up to the year end, whether or not billed to the Company. The company follows settlement date accounting.

### **5.10 *Taxation***

#### ***Current***

Provision for current taxation is based on taxable income at the current rates for taxation after taking into account tax credit and rebates available, if any in accordance with the provision of income ordinance 2001. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed/ finalized during the year.

#### ***Deferred***

Deferred tax is provided in full using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax liabilities are recognized for taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credit, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences carry forward of unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relation to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss account.

### **5.11 *Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### **5.12 *Revenue***

Brokerage, commission, consultancy and other income are recognized as and when such services are provided.

Interest income is recognized on a time proportion basis using the effective interest rate of return.

Dividend income is recorded when the right to receive the dividend is established.

Capital gain / (loss) on sale of securities are included in profit and loss account on the date at which the transaction takes place.

### **5.13 Expenses**

All expenses are recognized in the profit and loss account on accrual basis.

### **5.14 Financial instruments**

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. All financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account.

Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at fair value or amortized cost as the case may be.

### **5.15 Impairment**

#### ***Financial assets***

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### ***Non-Financial assets***

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **5.16 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **5.17 Related party transactions**

All transactions with related parties are carried out by the Company at arms' length price using the admissible pricing method.



	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>6 PROPERTY AND EQUIPMENT</b>			
Property and equipment	6.1	1,512,030	1,035,402
<b>Capital work-in-progress</b>			
Advance against office of Pakistan Stock Exchange Limited		400,000	-
		<b>1,912,030</b>	<b>1,035,402</b>

**6.1 Property and equipment**

<i>Particular</i>	<i>Computers</i>	<i>Furniture and fittings</i>	<i>Vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	----- Rupees -----				
<b>Year ended June 30, 2017</b>					
Opening net book value	83,247	420,993	101,576	529,871	1,135,687
Additions	54,000	-	-	-	54,000
<b>Disposal</b>					
Cost	-	-	-	(32,125)	(32,125)
Accumulated Depreciation	-	-	-	22,129	22,129
	-	-	-	(9,996)	(9,996)
Depreciation charged	(29,812)	(42,099)	(20,315)	(52,063)	(144,289)
Net book value as at June 30, 2017	<b>107,435</b>	<b>378,894</b>	<b>81,261</b>	<b>467,812</b>	<b>1,035,402</b>
<b>Year ended June 30, 2018</b>					
Opening net book value	107,435	378,894	81,261	467,812	1,035,402
Additions	454,713	17,400	-	177,074	649,187
Depreciation charged	(66,523)	(38,251)	(16,252)	(51,533)	(172,559)
Net book value as at June 30, 2018	<b>495,625</b>	<b>358,043</b>	<b>65,009</b>	<b>593,353</b>	<b>1,512,030</b>
<b>At June 30, 2017</b>					
Cost	2,490,439	1,936,788	1,182,500	1,264,559	6,874,286
Accumulated depreciation	2,383,004	1,557,894	1,101,239	796,747	5,838,884
<b>Net book value</b>	<b>107,435</b>	<b>378,894</b>	<b>81,261</b>	<b>467,812</b>	<b>1,035,402</b>
<b>At June 30, 2018</b>					
Cost	2,945,152	1,954,188	1,182,500	1,441,633	7,523,473
Accumulated depreciation	2,449,527	1,596,145	1,117,491	848,280	6,011,443
<b>Net book value</b>	<b>495,625</b>	<b>358,043</b>	<b>65,009</b>	<b>593,353</b>	<b>1,512,030</b>
<b>Rate of depreciation %</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	<b>10%</b>	

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>7 INTANGIBLES</b>			
<i>Trading Rights Entitlement Certificate (TREC)</i>			
Pakistan Stock Exchange Limited	7.1&7.2	<b>1,280,000</b>	1,280,000
<i>Offices</i>			
LSE Financial Services Limited (LFSL)	7.3	<b>262,600</b>	262,600
<i>Pakistan Mercantile Exchange Limited (PMEX) membership</i>			
Pakistan Mercantile Exchange Limited		<b>2,500,000</b>	-
		<b>4,042,600</b>	1,542,600

7.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integrations) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from the right to trade on the exchange. Accordingly, the company has received the equity shares of LSE Financial Services Limited (LFSL) and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Lahore Stock Exchange (Guarantee) Limited.

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

7.3 This represent cost of offices given by LSE Financial Services Limited with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

**8 LONG TERM INVESTMENTS**

*Available for sale*

*In shares of Un-quoted company - At cost*

				<i>Carrying Value</i>	
<i>2018</i>	<i>2017</i>		<i>Note</i>	<i>2018</i>	<i>2017</i>
<i>Number of Shares</i>		<i>Name of securities</i>		<i>Rupees</i>	<i>Rupees</i>
<b>843,975</b>	843,975	LSE Financial Services	8.1	<b>2,720,000</b>	2,720,000

*In shares of quoted companies*

<b>5,000</b>	5,000	Sunshine Cotton Mills Limited		<b>1,650</b>	1,650
		Provision for impairment		<b>(1,650)</b>	(1,650)
				<b>2,720,000</b>	2,720,000

8.1 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.

8.2 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.

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>9 LONG TERM DEPOSITS</b>		
<i>- Unsecured - Considered good</i>		
LSE Financial Service Limited	<b>50,000</b>	50,000
National Clearing Company of Pakistan Limited	<b>1,500,000</b>	300,000
Central Depository Company of Pakistan Limited	<b>100,000</b>	100,000
Utility deposits	<b>175,149</b>	75,149
	<b><u>1,825,149</u></b>	<b><u>525,149</u></b>

**10 DEFERRED TAXATION**

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

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<i>Taxable temporary differences</i>		
Accelerated tax depreciation	<b>2,548</b>	106,316
<i>Deductible temporary differences</i>		
Provision for employees compensated absences	<b>-</b>	(562,976)
Provision for doubtful debts	<b>(15,630,548)</b>	(15,299,339)
Assessed tax losses	<b>(11,132,224)</b>	(4,694,142)
	<b>(26,762,772)</b>	(20,556,456)
<i>Unrecognized deferred tax asset</i>	<b>(26,760,224)</b>	(20,450,141)
	<b>-</b>	<b>-</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.

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>11 SHORT TERM INVESTMENTS</b>			
<i>At fair value through profit or loss</i>			
In shares of quoted company		<b>258,240</b>	150,561
In shares of unquoted company	11.1 & 11.2	<b>30,000</b>	30,000
		<b><u>288,240</u></b>	<b><u>180,561</u></b>
<b>11.1 Unquoted company</b>			
Cost		<b>60,000</b>	60,000
Accumulated impairment		<b>(30,000)</b>	(30,000)
		<b><u>30,000</u></b>	<b><u>30,000</u></b>

**11.2** 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.

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>12 TRADE DEBTS</b>			
Considered good		20,585,123	2,178,629
Considered doubtful		53,898,442	54,324,615
		<u>74,483,565</u>	<u>56,503,244</u>
Provision for doubtful debts	12.3 & 12.4	<u>(53,898,442)</u>	<u>(54,324,615)</u>
		<u>20,585,123</u>	<u>2,178,629</u>

**12.1** The total value of securities pertaining to clients are Rs. 151.883 million held in sub-accounts of the company. No security is pledged by client to the financial institutions.

**12.2 Aging analysis**

The aging analysis of trade debts is as follows:

	<i>Note</i>	<i>As on June 30, 2018</i>	
		<i>Amount</i>	<i>Custody value</i>
		<i>-----Rupees-----</i>	
Upto fourteen days		19,378,723	123,965,385
More than fourteen days	12.2.1	55,104,842	27,918,521
		<u>74,483,565</u>	<u>151,883,906</u>

**12.2.1** Adequate provision of Rs. 53.898 million (2017: 54.324 million) has been provided in respect of amount due from customers.

**12.3** The legal suit for recovery of trade debts having a book value of Rs. 23.15 million are pending with the Supreme Court of Pakistan. In spite of legal proceedings, the adequate provision is made in these financial statements as a matter of prudence.

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>12.4 Provision for doubtful debts</b>			
Balance as on July 01		54,324,615	52,537,467
Provision made during the year	24	80,739	2,848,604
		<u>54,405,354</u>	<u>55,386,071</u>
Reversal of excess provision		(506,912)	(611,992)
Considered bad debts written off		-	(449,464)
		<u>53,898,442</u>	<u>54,324,615</u>

**13. 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 Ratio (FPR) of maximum 75% and charging markup upto the rate of 14% fixed rate.

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<i>- Considered good</i>			
<b>Advances</b>			
Advance to staff		691,000	18,000
Advance for purchase of fixed assets	14.1	<u>15,000,000</u>	-
		<b>15,691,000</b>	18,000
<b>Deposits</b>			
Deposit against exposure margin	14.2	<u>22,000,000</u>	3,000,000
Deposits against margin trading system	14.3	<u>15,804,175</u>	-
		<b>37,804,175</b>	3,000,000
<b>Prepayments</b>			
Short term prepayments		561,825	42,990
<b>Other receivables</b>			
Other receivables		<u>75,303</u>	171,935
Retained profit future contract		<u>477,730</u>	-
		<b>553,033</b>	171,935
		<b>54,610,033</b>	<b>3,232,925</b>

14.1 This amount was given for the purchase of office however, the deal could not materialized and subsequent to year end advance was refunded

14.2 This represents deposits with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter.

14.3 This represents deposits with National Clearing Company of Pakistan Limited against the exposure margin against trade and sustained losses to date on Margin Trading Services.

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>15 TAX REFUNDS DUE FROM GOVERNMENT</b>			
- Sales tax refundable		566,811	-
<b>- Income Tax Refundable</b>			
Opening tax refund		1,609,204	879,404
Provision for the year	26	<u>(368,462)</u>	(128,778)
		<b>1,240,742</b>	750,626
Tax paid during the year		<u>556,878</u>	858,578
		<b>2,364,431</b>	<b>1,609,204</b>

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>16 CASH AND BANK BALANCES</b>			
Cash in hand		27,195	7,460
<b>Cash at banks</b>			
In current accounts		115,174,744	12,540,080
In saving account	16.1	10,070,721	8,983,257
	16.2	125,245,465	21,523,337
		<u>125,272,660</u>	<u>21,530,797</u>

16.1 Saving account carries markup which ranges from 2.5% to 5.2% (2017 : 2.4% to 5.2%) per annum.

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>16.2 Balance pertaining to :</b>			
Clients		24,561,273	16,251,927
Brokerage house		100,684,192	5,271,410
		<u>125,245,465</u>	<u>21,523,337</u>

**17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

<i>2018</i>	<i>2017</i>				
<i>Number of Shares</i>					
<u>30,000,000</u>	<u>10,000,000</u>	Ordinary shares of Rs.10			
		each fully paid in cash	17.1	<u>300,000,000</u>	<u>100,000,000</u>

**17.1 Pattern of shareholding**

<i>Serial number</i>	<i>Name of shareholder</i>	<i>2018</i>	
		<i>Number of shares held</i>	<i>% of shares held</i>
1	Sikander Mahmood	10,606,250	35.35%
2	Nash Advertising (Pvt.) Ltd	1,481,500	4.94%
3	Paramount Commodities (Pvt.) Ltd	5,092,645	16.98%
4	Junaid Shehzad Ahmed	3,000,000	10.00%
5	Other institution not more than 5% holding	1,493,101	4.98%
6	Other individuals not more than 5% holding	8,326,504	27.76%
		<u>30,000,000</u>	<u>100%</u>

17.2 In the beginning of the period 7,404,750 shares have been acquired by Mr. Sikandar Mahmood, Mr. Ahmed Kamal and Mr. Junaid Shehzad Ahmed out of total ordinary 10,000,000 shares of the company, in accordance with Regulation 4(j) of the Securities Brokers (Licensing and Operations) Regulations, 2016 from below shareholders;

<i>Name of shareholders</i>	<i>No. of shares held</i>	<i>Percentage %</i>
Emirates Global Investments Limited	3,777,375	37.77%
Emirates Investments Groups LLC	3,627,375	36.27%
	<b>7,404,750</b>	<b>74%</b>

**18 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.

<i>2018</i>	<i>2017</i>
<i>Rupees</i>	<i>Rupees</i>

**19 TRADE AND OTHER PAYABLES**

Trade creditors	12,260,755	19,251,927
Accrued liabilities	4,432,197	1,077,600
Employees compensated absences	1,816,473	1,999,004
Other liabilities	2,195,892	196,535
	<b>20,705,317</b>	<b>22,525,066</b>

**20 CONTINGENCY AND COMMITMENT**

**20.1 Contingency**

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.

**20.2 Commitment**

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

	<i>2018</i>	<i>2017</i>
	<i>Rupees</i>	<i>Rupees</i>
For purchase of shares	47,066,401	5,132,855
For sale of shares	66,900,508	3,979,254

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>21 OPERATING REVENUE</b>			
<i>Brokerage income</i>			
- Retail customers		1,951,884	7,448,485
- Institutional customers		531,549	148,020
		<u>2,483,433</u>	<u>7,596,505</u>
Dividend income		421,988	422,500
		<u>2,905,421</u>	<u>8,019,005</u>
<b>22 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Salaries, benefits and allowances		7,155,677	5,529,952
Commission and clearing house expenses		547,640	204,128
Communication expenses		558,895	292,318
Printing and stationary		249,222	198,603
Entertainment expenses		187,457	134,629
Travelling and lodging expenses		122,217	84,540
Repairs and maintenance		379,304	353,414
Advertisement and publicity		91,825	52,252
Electricity and utilities		625,636	344,827
Insurance expenses		3,035	6,318
Depreciation	6	172,559	144,289
Internet and software maintenance charges		959,013	336,346
Charity and donation		2,000	-
Legal and professional charges		704,439	229,893
Fees and subscription		6,941,802	377,913
Rent, rates and taxes		1,849,801	910,844
Auditors remuneration	22.1	766,900	335,000
Miscellaneous expenses		746,146	201,297
		<u>22,063,568</u>	<u>9,736,563</u>
<b>22.1 Auditors' remuneration</b>			
Statutory audit fee		400,000	250,000
Interim review fee		200,000	35,000
Other certification charges		165,000	35,000
Out of pocket expenses		1,900	15,000
		<u>766,900</u>	<u>335,000</u>
<b>23 FINANCE COST</b>			
Amortization of interest free loan	18	207,245	-
Bank charges		875,770	11,807
		<u>1,083,015</u>	<u>11,807</u>
<b>24 OTHER CHARGES</b>			
Provision for doubtful debts	12.4	80,739	2,848,604



	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>25 OTHER INCOME - Net</b>			
<i>Income from financial assets</i>			
Interest on saving account		<b>1,104,811</b>	1,015,621
Interest income on exposure deposited		<b>120,622</b>	89,880
Reversal of provision for doubtful debts	12.4	<b>506,912</b>	611,992
Reversal of provision for impairment		-	6,150
		<u><b>1,732,345</b></u>	<u>1,723,643</u>
<i>Income from other than financial assets</i>			
Gain / (loss) on sale of fixed assets		-	333,276
Others		<b>349,643</b>	-
		<u><b>2,081,988</b></u>	<u>2,056,919</u>
<b>26 TAXATION</b>			
Current	26.1	<u><b>368,462</b></u>	<u>128,778</u>

**26.1 Tax charge reconciliation**

Reconciliation between tax expense and accounting profit has not been made as relationship between these could not be developed due to tax arises under final tax regime.

Returns for the tax year upto 2017 have been filed, which are deemed to be assessment order under provisions of the Income Tax Ordinance, 2001 however the CIT has power to re-assess any of the five preceding tax years.

**26.2** Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2017. 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.

**26.3** According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

<i>Provision for Taxation</i>	<i>Tax year</i>	<i>Provision for Taxation</i>	<i>Tax Assessed</i>
June 30 2017	2017	128,778	128,778
June 30 2016	2016	119,933	124,249
June 30 2015	2015	172,970	172,970

		<b>2018</b>	<i>2017</i> <i>Restated</i>
<b>27 LOSS PER SHARE</b>			
<b>- Basic and Diluted</b>			
(Loss) attributable to ordinary shareholders	<b>Rs.</b>	<u><b>(18,560,696)</b></u>	<u>(2,589,841)</u>
Weighted average number of ordinary shares in issue		<u><b>20,414,201</b></u>	<u>11,538,462</u>
(Loss) per share - basic and diluted	<b>Rs.</b>	<u><b>(0.91)</b></u>	<u>(0.22)</u>
		<b>2018</b>	<i>2017</i>
		<b>Rupees</b>	<i>Rupees</i>

**28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

***Financial Assets and Liabilities***

***Financial assets***

Long term deposits	<b>1,825,149</b>	525,149
Investments	<b>3,008,240</b>	2,900,561
Trade debts	<b>20,585,123</b>	2,178,629
Deposits and other receivables	<b>38,357,208</b>	3,171,935
Cash and bank balances	<b>125,272,660</b>	21,530,797
	<u><b>189,048,380</b></u>	<u>30,307,071</u>

***Financial Liabilities***

Subordinated loans	<b>8,900,000</b>	-
Trade and other payables	<b>20,705,317</b>	22,525,066
	<u><b>29,605,317</b></u>	<u>22,525,066</u>

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

Risk managed and measured by the Company are explained below: -

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

**28.1 Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.

**Exposure to credit risk**

Credit risk of the Company arises principally from long term and short term investments, trade debts, loan and advances, accrued income, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below:-

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
Long term investments	8	2,720,000	2,720,000
Long term deposits	9	1,825,149	525,149
Short term investments	11	288,240	180,561
Trade debts	12	20,585,123	2,178,629
Deposits and other receivables	14	38,357,208	3,171,935
Cash at banks	16	125,272,660	21,530,797
		<u>189,048,380</u>	<u>30,307,071</u>

**Trade debts**

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors.

All the trade debtors at the balance sheet date represent domestic parties.

**Concentration of credit risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

<i>Bank</i>	<i>Rating agency</i>	<i>Short term ratings</i>
<b>Private sector commercial banks</b>		
Bank Alfalah Limited	PACRA	AA+
MCB Bank Limited	PACRA	AAA
JS Bank Limited	PACRA	AA-
Habib Bank Limited	PACRA	AA+
Habib Metropolitan Bank Limited	PACRA	AA+
<b>Islamic Bank</b>		
Albaraka Bank (Pakistan) Limited	PACRA	A

**28.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are contractual maturities of financial liabilities, including estimated interest payments:-

	<b>2018</b>			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Upto one year</i>	<i>More than one year</i>
	----- Rupees -----			
<b>Financial liabilities</b>				
Subordinated loan	8,900,000	8,900,000	8,900,000	-
Trade and other payables	20,705,317	20,705,317	20,705,317	-
	-----			
	<b>2017</b>			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Upto one year</i>	<i>More than one year</i>
	----- Rupees -----			
<b>Financial liabilities</b>				
Retirement benefits	1,999,004	1,999,004	1,999,004	-
Trade and other payables	20,526,062	20,526,062	20,526,062	-

**28.3 Market risk**

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:-

**28.3.1 Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

**28.3.2 Interest / mark up rate risk**

Financial assets and liabilities include balances of Rs. 10.07 million (2017 : Rs. 8.983 million) which are subject to interest rate risk. Applicable interest/mark-up rates for financial assets and liabilities have been indicated in respective notes.

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is not exposed to any short term borrowing arrangements having variable rate pricing.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows: -

	<i>2018</i>	<i>2017</i>
	<i>Carrying amount</i>	
	<i>Rupees</i>	<i>Rupees</i>
<b><i>Financial assets</i></b>		
Cash and bank balances	<u>10,070,721</u>	<u>8,983,257</u>

***Sensitivity analysis***

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect profit and loss account and equity.

The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	<i>Profit and loss 100 bp</i>	
	<i>increase</i>	<i>decrease</i>
<b><i>As at June 30, 2018</i></b>		
Cash flow sensitivity-Variable rate financial instruments	<u>1,007,072</u>	<u>(1,007,072)</u>
<b><i>As at June 30, 2017</i></b>		
Cash flow sensitivity-Variable rate financial instruments	<u>898,326</u>	<u>(898,326)</u>

**28.3.3 Price risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities at the balance sheet date amounting to Rs. 0.258 million (2017 : Rs. 0.15 million).

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable which if not, impairment loss has been recognised and other opportunities may be considered. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted associates which are carried at fair value determined through latest sales price. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

**Sensitivity analysis**

The table below summarizes Company's equity price risk as of June 30, 2018 and 2017 and shows the effects of hypothetical 10% increase and a 10% decrease in market prices of the quoted securities as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worst because of the nature of the equity market and aforementioned concentrations existing in company's equity investment portfolio.

	<i>Fair Value</i>	<i>Hypothetical price change</i>	<i>Estimated fair value after hypothetical change in prices</i>	<i>Hypothetical increase (decrease) in Shareholders' Equity</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<i>June 30, 2018</i>	<b>258,240</b>	<b>10% increase</b>	<b>284,064</b>	<b>25,824</b>
		<b>10% decrease</b>	<b>232,416</b>	<b>(25,824)</b>
<i>June 30, 2017</i>	150,561	10% increase	165,617	15,056
		10% decrease	135,504	(15,056)

**28.3.4 Fair Value of Financial Instruments**

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

**28.3.5 Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>----- Rupees -----</i>		
<i>June 30, 2018</i>			
Investments available for sale	-	-	<b>2,720,000</b>
Investments at fair value through Profit and loss	<b>258,240</b>	-	<b>60,000</b>

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	----- <i>Rupees</i> -----		
<i>June 30, 2017</i>			
Investments available for sale	-	-	2,720,000
Investments at fair value through Profit and loss	150,561	-	60,000

**29 CAPITAL RISK MANAGEMENT**

The primary objective of the Company’s capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the financial year ended June 30, 2018.

The Company does not obtained any financing facility and working with 100% equity financing, therefore, no gearing is identified.

**30 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>2018 Rupees</i>	<i>2017 Rupees</i>
Shareholder	Paramount Commodities (Pvt) Limited	Trade receivables The maximum aggregate amount outstanding during the year was Rs. 18,557,445	<b>18,557,445</b>	-
Directors	Syed Tariq Hussain	Disposal of fixed asset to Ex-Director	-	2,800,000
Shareholder	Mr. Sikandar Mehmood	Subordinated loans	<b>8,900,000</b>	-

**31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to Directors, Chief Executive and Executives of the Company, are as follows:

	<i>Chief Executives</i>		<i>Directors</i>		<i>Other Executives</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	----- <i>Rupees</i> -----					
Managerial remuneration	<b>1,450,763</b>	1,403,364	120,000	-	640,000	-
Commission paid to	<b>130,272</b>	360,552	282,904	-	-	-
Brokerage commission	<b>34,533</b>	32,379	7,950	5,525	-	-
Disposal of fixed assets	-	-	-	2,800,000	-	-
Other expenses incurred	<b>185,259</b>	178,310	-	-	-	-
	<b>1,800,827</b>	1,974,605	410,854	2,805,525	640,000	-
Number of persons	<b>1</b>	1	3	2	2	0

31.1 The chief executive has been provided with the free use of company maintained vehicle in accordance with the company's policy.

### 32 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage, portfolio management, investment advisory, consultancy and underwriting services.

All non-current assets of the Company at June 30, 2018 are located in Pakistan.

	<i>2018</i>	<i>2017</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>33 CAPITAL ADEQUACY LEVEL</b>		
The capital adequacy level of the company is as follows:		
Total assets	<b>223,282,067</b>	34,555,267
Less: Total Liabilities	<b>(29,605,317)</b>	(22,525,066)
<b>Capital adequacy level</b>	<b>193,676,750</b>	<b>12,030,201</b>
	<i>2018</i>	<i>2017</i>
<b>34 NUMBER OF EMPLOYEES</b>		
As at June 30, 2018	<b>43</b>	<b>11</b>
Average employees	<b>27</b>	<b>12</b>

### 35 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on September 28, 2018.

### 36 GENERAL

Figures have been rounded off to the nearest rupee.

Sd/-

Chief Executive

Sd/-

Chief Financial Officer

Sd/-

Director



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FORM OF PROXY
25th Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_

holding Computerized National Identity Card (CNIC)/Passport No. \_\_\_\_\_ and being a member of

Trust Securities & Brokerage Limited, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ holding CNIC / Pssport No. \_\_\_\_\_ or failing him/her hereby appoint

\_\_\_\_\_ of \_\_\_\_\_ holding CNIC/Passport

No. \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our brhalf at the 25th Annual General

Meeting of the Company, to be held on the 27th day of October 2018 at 1:45 P.M. at Karachi and at any adjournment

thereof.

As witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_, 2018

WITNESSES

1. Signature \_\_\_\_\_

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

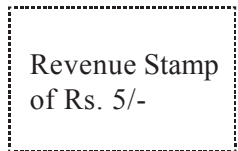
Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

CDC Account No.

[Empty box for CDC Account No.]



Notes:

- 1. This Proxy Form, duly completed and signed, must be received of the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporation entity, the Board of Directors' resolution / Power of Atorney with specimen signature shall be submitted along with Proxy Form.