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# CONDENSED INTERIM FINANCIAL STATEMENTS

For Nine Months Period ended March 31, 2023

**CONDENSED INTERIM BALANCE SHEET**

As at March 31, 2023 (Un-audited)

(Rupees '000)

		(Un Audited)		(Audited)	
		Mar	Jun		
		2023	2022		
ASSETS	Note				
<b><u>Non-Current assets</u></b>					
Property, plants and equipments	4	3,674	5,380		
Intangible assets		5,315	5,502		
Long term loans, advances and deposits		4,557	3,931		
Deferred tax asset		1,945	1,945		
		<b>15,491</b>	<b>16,758</b>		
<b><u>Current assets</u></b>					
Advances, deposits, prepayments and other receivables	5	82,964	239,609		
Marketable securities - held for trading	6	11,359	13,800		
Trade debts - unsecured - considered good	7	202,524	123,778		
Taxation		72,219	64,792		
Cash and bank balances	8	741,422	518,879		
		<b>1,110,488</b>	<b>960,858</b>		
		<b>1,125,979</b>	<b>977,616</b>		
<b>LIABILITIES</b>					
<b><u>Non-Current liabilities</u></b>					
Deferred liability		3,350	-		
		<b>3,350</b>	<b>-</b>		
<b><u>Current liabilities</u></b>					
Current Portion of Long Term Loan		55,000	55,000		
Short Term Running Finance		200,000	-		
Trade payables	9	480,320	514,881		
Creditors, accrued and other liabilities	10	33,991	43,081		
		<b>769,311</b>	<b>612,962</b>		
		<b>772,661</b>	<b>612,962</b>		
		<b>353,318</b>	<b>364,654</b>		
Contingencies and Commitments	11				
<b>REPRESENTED BY</b>					
<b><u>Issued, Subscribed and Paidup Share Capital</u></b>					
Authorised capital					
70,000,000 ordinary shares of Rs. 10 each		<b>700,000</b>	<b>500,000</b>		
Issued, subscribed and paid-up capital	12	304,601	304,601		
Capital Reserve		11,077	11,077		
Unappropriated profit / (loss)		37,640	48,976		
		<b>353,318</b>	<b>364,654</b>		
		<b>-</b>	<b>-</b>		
<b>BOOK VALUE PER SHARE</b>		<b>11.60</b>	<b>11.97</b>		

The Annexed notes 1 to 14 form an integral part of these Condensed Interim Financial Statements.

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**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**

For Nine Months period ended March 31, 2023 (Un-audited)

(Rupees '000)

	Note	Nine months Ended		Quarter Ended March 31,	
		March 31, 2023	2022	2023	2022
Brokerage revenue		110,510	183,417	38,220	45,484
Capital gain / (loss) on Investments		-	(253)	-	(207)
Dividend income		-	297	-	-
Other income	13	56,396	34,199	18,702	11,696
		<b>166,906</b>	217,660	<b>56,922</b>	56,973
Operating and administrative expenses		<b>(163,315)</b>	(170,677)	<b>(52,123)</b>	(52,435)
		<b>3,591</b>	46,983	<b>4,799</b>	4,538
Finance cost		<b>(8,588)</b>	(5,980)	<b>(3,488)</b>	(1,960)
Gain / (loss) due to change in fair value of marketable securities		<b>(2,489)</b>	(12,978)	<b>440</b>	(1,379)
<b>PROFIT / (LOSS) Before Taxation</b>		<b>(7,486)</b>	28,025	<b>1,751</b>	1,199
<b>Taxation</b>					
- Current		<b>(3,850)</b>	(11,041)	<b>(2,166)</b>	(2,054)
- Prior		-	-	-	-
		<b>(3,850)</b>	(11,041)	<b>(2,166)</b>	(2,054)
<b>PROFIT / (LOSS) After Taxation</b>		<b>(11,336)</b>	16,984	<b>(415)</b>	(855)
<b>EARNING PER SHARE</b>		<b>(0.37)</b>	0.56	<b>(0.01)</b>	(0.03)

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**CHIEF EXECUTIVE**

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**CHIEF FINANCIAL OFFICER**

**CONDENSED INTERIM Cash Flow Statement**

For Nine Months period ended March 31, 2023 (Un-audited)

(Rupees '000)

	Note	Mar 2023	Mar 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		(7,486)	28,025
<b>Adjustment for:</b>			
Depreciation		1,778	2,066
Amortization of intangible assets		187	155
(Gain) / loss on re-measurement of held for trading investments		2,489	12,978
Capital loss / (gain) on sale of investments -net		-	253
(Gain) / loss on disposal of property and equipment		(350)	(30)
Finance cost		8,588	5,980
Dividend		-	(297)
Gratuity expense		3,350	3,168
		16,042	24,273
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Trade debts		(78,746)	(1,952)
Investments - held for trading		(48)	(346)
Trade deposits and short term prepayments		158,332	85,570
		79,538	83,272
<b>Decrease in current liabilities</b>			
Trade and other payables		(49,184)	(69,497)
		38,910	66,073
<b>Cash used in operations</b>			
Gratuity paid		-	(312)
Income tax paid		(11,278)	(7,285)
Finance cost paid		(1,387)	(1,826)
		(12,665)	(9,423)
<b>Net cash used in operating activities</b>		26,245	56,650
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(72)	(2,426)
Acquisition of intangible assets		-	(507)
Proceeds from disposal of property and equipment		350	30
Decrease / (increase) Long term loans - (Staff loan)		(1,583)	(1,078)
Decrease / (increase) in Long term deposits		(86)	-
Dividend received		-	297
<b>Net cash from investing activities</b>		(1,391)	(3,684)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Paid to Fauji Foundation		(2,311)	-
Dividend paid		-	(45,690)
<b>Net cash from / (used in) financing activities</b>		(2,311)	(45,690)
<b>Net increase / (decrease) in cash and cash equivalents</b>		22,543	7,276
<b>Cash and cash equivalents at beginning of the year</b>		518,879	812,282
<b>Cash and cash equivalents at end of the month</b>		541,422	819,558
<b>Cash and Cash Equivalents</b>			
Cash and bank balances		741,422	819,558
Short term running finance		(200,000)	-
		541,422	819,558

The Annexed notes 1 to 14 form an integral part of these Condensed Interim Financial Statements.

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For Nine Months period ended March 31, 2023 (Un-audited)

	Share capital	Capital Reserve	Accumulated Profit/(loss)	Total
	----- Rupees -----			
<b>Balance as at June 30, 2021</b>	<b>304,601</b>	<b>16,615</b>	<b>75,911</b>	<b>397,127</b>
Profit/ (loss) for the period ended June 30, 2022			15,944	15,944
Dividend 2020-21			(45,690)	(45,690)
Other Comprehensive Income - Gratuity Fund		(5,538)	2,811	(2,727)
<b>Balance as at June 30, 2022</b>	<b>304,601</b>	<b>11,077</b>	<b>48,976</b>	<b>364,654</b>
Profit/ (loss) for the period ended March 31, 2023	-	-	(11,336)	(11,336)
<b>Balance as at March 31, 2023</b>	<b>304,601</b>	<b>11,077</b>	<b>37,640</b>	<b>353,318</b>

The Annexed notes 1 to 14 form an integral part of these Condensed Interim Financial Statements.

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

For Nine Months period ended March 31, 2023 (Un-audited)

**1. THE COMPANY AND ITS OPERATIONS**

Foundation Securities (Private) Limited (the Company), is Wholly owned subsidiary of The Fauji Foundation Pakistan, was incorporated in Pakistan as a private limited company on January 18, 2005, under the Companies Ordinance, 1984 (repealed with the enactment of companies Act 2017) and its registered office is situated at Ground Floor, Bahria Complex II, M.T. Khan Road, Karachi - 74000. The Company is a Trading Right Entitlement Certificate (TREC) holder of the Karachi Stock Exchange Limited and a corporate member of Pakistan Mercantile Exchange Limited.

The Company is principally engaged in the business of equity and commodities brokerage, equity research and corporate financial advisory services.

**2. BASIS OF PREPARATION****2.1 Statement of compliance**

These Interim Financial Statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, along with directives issued by Securities and Exchange Commission of Pakistan (SECP) and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of, or directives issued under the Companies Act 2017 shall prevail.

These Condense Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with company's Annual Financial Statement for the year ended June 30, 2022.

**3.0 ACCOUNTING POLICIES**

The Accounting Policies adopted in the preparation of these condensed Interim Financial Statements are consistent with those of the financial year ended June 30, 2022.

## Notes to the Financial Statements

For the period ended March 31, 2023

## 4 PROPERTY, PLANTS AND EQUIPMENTS

(Rupees '000)

	March 31, 2023					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2022</b>						
Cost	17,124	12,044	36,494	4,983	-	70,645
Accumulated depreciation	15,400	11,200	33,734	4,930	-	65,264
Net book value	1,724	844	2,760	53	-	5,381
Opening net book value	1,724	844	2,760	53	-	5,381
<b>Additions</b>	7	-	65	-	-	72
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>Depreciation charge for the year</b>	421	189	1,116	53	-	1,779
Closing net book value	1,310	655	1,709	-	-	3,674
<b>Period ended March 31, 2023</b>						
Cost	17,131	12,044	36,559	4,983	-	70,717
Accumulated depreciation	15,821	11,389	34,850	4,983	-	67,043
<b>Net book value as at March 31, 2023</b>	1,310	655	1,709	-	-	3,674
Depreciation rate % per annum	20	10	33.33	20	20	
	June 30, 2022					Total
	Office equipment and appliances	Furniture and fixtures	Computer equipment	Vehicles (owned)	Vehicles (leased)	
<b>As at July 01, 2021</b>						
Cost	17,409	12,044	34,108	4,984	-	68,545
Accumulated depreciation	15,161	10,949	32,416	4,335	-	62,861
Net book value	2,248	1,095	1,692	649	-	5,684
Opening net book value	454	1,105	430	1,244	-	3,233
<b>Additions</b>	52	-	2,436	-	-	2,488
<i>Transfer from leased assets</i>						
Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
<b>Disposals</b>						
Cost	(337)	-	(50)	-	-	(387)
Depreciation	(337)	-	(50)	-	-	(387)
	577	251	1,369	595	-	2,792
Closing net book value	(71)	854	1,497	649	-	2,929
<b>Period ended June 30, 2022</b>						
Cost	17,124	12,044	36,494	4,983	-	70,645
Accumulated depreciation	15,400	11,200	33,734	4,930	-	65,264
<b>Net book value as at March 31, 2023</b>	1,724	844	2,760	53	-	5,381
Depreciation rate % per annum	20	10	33.33	20	20	

(Rupees '000)

	Mar 2023	Jun 2022
<b>5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b><u>Deposits and Prepayments</u></b>		
- Exposure - (Pakistan Stock Exchange)	21,000	21,000
- Exposure - (National Clearing Company of Pakistan)	42,046	203,572
- Exposure - (Pakistan Merchantile Exchange)	1,820	1,795
- Other Deposits	25	25
- Prepayments	7,735	1,736
<b>Loans &amp; Advances</b>	<b>3,769</b>	<b>4,477</b>
<b>Other Receivables - Net of Provision</b>	<b>6,569</b>	<b>7,004</b>
	<b>82,964</b>	<b>239,609</b>
<b>6 MARKETABLE SECURITIES - HELD FOR TRADING</b>		
Marketable Securities - Held for trading	13,848	30,006
Unrealized gain/(loss) on investments classified as 'financial assets at fair value through profit or loss'	(2,489)	(16,206)
	<b>11,359</b>	<b>13,800</b>
<b>7 TRADE DEBTS - (UNSECURED) - CONSIDERED GOOD</b>		
Receivable against purchase of marketable securities on behalf of clients	226,490	147,744
Less: Provision of doubtful debts - Considered doubtful	(23,966)	(23,966)
	<b>202,524</b>	<b>123,778</b>
<b>8 CASH AND BANK BALANCES</b>		
Current Accounts	50,693	19,243
Saving Accounts	690,626	499,569
<b>Total cash at banks</b>	<b>741,319</b>	<b>518,812</b>
<b>Cash in Hand</b>	<b>103</b>	<b>67</b>
<b>Total</b>	<b>741,422</b>	<b>518,879</b>
<b>9 TRADE PAYABLES</b>		
Payable against sale of marketable securities on behalf of clients	456,805	474,560
Payable to National Clearing Company of Pakistan (NCCPL)	23,515	40,321
	<b>480,320</b>	<b>514,881</b>
<b>10 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	22,156	31,309
Withholding tax payable	1,831	1,874
Other liabilities	10,004	9,898
	<b>33,991</b>	<b>43,081</b>
<b>11 Contingencies and Commitments</b>		
There are no significant contingencies and commitments subsequent to year end.		
<b>12 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		

Category of Shareholder	Number of Share Held	Value of Share Held	Percentage
Fauji Foundation	30,460,057	304,600,570	99.99
Others	3	30	0.01
<b>Total Amount</b>	<b>30,460,060</b>	<b>304,600,600</b>	<b>100.00</b>



(Rupees '000)

	Nine months Ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
<b>13 OTHER INCOME</b>				
Profit on bank deposits	48,413	26,726	15,131	9,819
Gain/(loss) on disposal of fixed assets	350	30	350	-
Other income including profit on cash margins (NCCPL / PSX)	7,633	7,443	3,222	1,877
	<b>56,396</b>	34,199	<b>18,703</b>	11,696

**14 General**

Corresponding figures have been rearranged and reclassified, wherever necessary to facilitate comparison.

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