



FDM CAPITAL SECURITIES (PRIVATE) LIMITED

UNAUDITED FINANCIAL STATEMENTS

**FOR THE SIX MONTH ENDED
DECEMBER 31, 2021**

Registered Office : Room no. 620-621, Stock Exchange Building, Pakistan Stock Exchange Limited Road, Karachi.

Branch Office : Suit no. 506, 5th Floor, Emerald Tower. Near 2 Talwar, Clifton, Block - 5, Karachi.


FDM Capital Securities (Private) Limited

Condensed Interim Statement of Financial Position

As at December 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		Rupees	
ASSETS			
Non current assets			
Property and equipment	3	22,354,123	13,024,925
Intangible assets	4	3,500,000	3,500,000
Long term deposit	5	4,000,000	4,000,000
		<u>29,854,123</u>	<u>20,524,925</u>
Current assets			
Trade debts - Considered good and secured	6	60,432,074	73,428,733
Short term investments-at fair value through profit or loss	7	159,841,772	197,059,936
Loans, advances, deposits and other receivables	8	30,072,408	72,494,545
Bank balances	9	167,360,705	159,576,708
		<u>417,706,959</u>	<u>502,559,922</u>
		<u>447,561,082</u>	<u>523,084,847</u>
EQUITIES AND LIABILITIES			
Capital and reserves			
<i>Authorized Capital</i>			
1,500,000 (2020: 1,500,000) ordinary shares of Rs. 100/ each		<u>150,000,000</u>	<u>150,000,000</u>
<i>Issued subscribed and paid up capital</i>			
1,390,000 (2020: 1,300,000) ordinary shares of Rs. 100/- each fully paid in cash		139,000,000	139,000,000
Capital contribution from a Director		5,900,852	5,900,852
Unappropriated profit		135,574,146	165,951,022
		<u>280,474,998</u>	<u>310,851,874</u>
Non-current liabilities			
Loan from a Directors	10	29,482,233	28,059,123
Current liabilities			
Trade and other payables	11	132,199,777	178,635,137
Taxation - net		5,404,074	5,508,616
Markup accrued		-	30,097
		<u>137,603,851</u>	<u>184,173,850</u>
Contingencies and commitments	12	-	-
		<u>447,561,082</u>	<u>523,084,847</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

FDM Capital Securities (Private) Limited

Condensed Interim Statement of Profit or Loss

For the six months ended December 31, 2021 (unaudited)

	Note	December 31, 2021	December 31, 2020
		Rupees	
Operating revenue	13	30,698,949	34,618,722
Capital gain on investment		546,535	-
Net unrealized (loss) / gain on remeasurement of investments to fair value		(35,729,246)	13,390,597
		<u>(4,483,762)</u>	<u>48,009,319</u>
Operating expenses			
Administrative expenses	14	23,935,948	11,520,182
Finance cost	15	1,491,573	114,439
		<u>(25,427,521)</u>	<u>(11,634,621)</u>
Operating (loss) / gain		(29,911,283)	36,374,698
Other income / expense - net	16	1,028,554	3,319,432
(Loss) / Profit before taxation		<u>(28,882,729)</u>	<u>39,694,130</u>
Taxation		(1,494,147)	-
(Loss) / Profit after taxation		<u><u>(30,376,876)</u></u>	<u><u>39,694,130</u></u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



CHIEF EXECUTIVE

DIRECTOR

FDM Capital Securities (Private) Limited

Condensed Interim Statement of Other Comprehensive Income

For the six months ended December 31, 2021 (unaudited)

	December 31, 2021	December 31, 2020
	Rupees	
(Loss) / Profit after taxation	(30,376,876)	39,694,130
<i>Other comprehensive income / (loss)</i>	-	-
Total comprehensive loss / (income) for the period	<u>(30,376,876)</u>	<u>39,694,130</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

FDM Capital Securities (Private) Limited

Condensed Interim Statement of Changes in Equity

For the six months ended December 31, 2021 (unaudited)

	Issued, subscribed & paid up capital	Unappropriated profit	Capital Contribution from the Director	Total
	Rupees			
Balance as at June 30, 2020	130,000,000	44,483,875	-	174,483,875
Profit after taxation for the six months ended December 31, 2020	-	39,694,130	-	39,694,130
Right shares issued	9,000,000	-	-	9,000,000
Balance as at December 31, 2020	139,000,000	84,178,005	-	223,178,005
Balance as at June 30, 2021	139,000,000	165,951,022	5,900,852	310,851,874
Profit after taxation for the six months ended December 31, 2021	-	(30,376,876)	-	(30,376,876)
Balance as at December 31, 2021	139,000,000	135,574,146	5,900,852	280,474,998

The annexed notes from 1 to 20 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

FDM Capital Securities (Private) Limited

Condensed Interim Statement of Cash Flows

For the six months ended December 31, 2021 (unaudited)

		December 31, 2021	December 31, 2020
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(28,882,729)	39,694,130
<i>Adjustment for:</i>			
Depreciation on property & equipment	3	2,032,796	-
Finance cost	15	1,491,573	114,439
loss on disposal of vehicle	16	220,711	-
<i>Cash (used in) / from generated operating activities before working capital changes</i>		<u>(25,137,649)</u>	<u>39,808,569</u>
<i>Effect of cash flows due to working capital changes</i>			
(Increase) / decrease in current assets			
Trade debtors	6	12,996,659	(26,106,292)
Short term investments	7	37,218,164	(16,353,388)
Loans, advances, deposits and other receivables	8	42,422,137	(46,713,420)
		92,636,960	(89,173,100)
Increase / (decrease) in current liabilities			
Trade and other payables	11	(46,435,360)	101,407,120
Cash generated from / (used in) operations		21,063,951	52,042,589
Finance cost paid		(98,560)	(114,439)
Tax paid		(1,394,189)	(872,931)
Net cash generated from operating activities		<u>19,571,202</u>	<u>51,055,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceed from disposal of vehicle		3,605,517	426,892
Capital expenditure		(15,392,722)	-
Net cash (used in) / generated from investing activities		<u>(11,787,205)</u>	<u>426,892</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Right share issue		-	9,000,000
Net cash generated from financing activities		-	9,000,000
Net increase in cash and cash equivalents during the period		7,783,997	60,482,111
Cash and cash equivalents at beginning of the period		159,576,708	109,405,226
Cash and cash equivalents at closing of the period	17	<u><u>167,360,705</u></u>	<u><u>169,887,337</u></u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

FDM Capital Securities (Private) Limited

Notes to the Condensed Interim Financial Statements

For the six months ended December 31, 2021 (unaudited)

1 STATUS AND ACTIVITIES

The FDM Capital Securities (Private) limited (the "Company") was incorporated in Pakistan on July 29, 2001 as a private limited company under the repealed Companies Ordinance, 1984 (the "Ordinance") which has now been replaced by Companies Act, 2017.

The registered office of the Company is located at room no. 620-621, Stock Exchange Building, Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange) Road, Karachi.

The Branch office of the Company is located at Suit no. 506, 5th Floor, Emerald Tower. Near 2 Talwar, Clifton, Block - 5, Karachi.

The Company is a corporate member of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). The company has also acquired membership of the Pakistan Mercantile Exchange Limited & Commodities Exchange.

The principal activities include trading and brokerage for equities, underwriting of public issues, etc.

2 BASIS OF PREPARATION

2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim unconsolidated financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

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

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

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

2.2 Basis of measurement

These interim financial statements have been prepared under the historical cost convention, except for investments in equity instruments which are stated at fair value.

2.3 Functional and presentation currency

These interim financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

2.4 Use of estimates and judgments

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2021.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
3	PROPERTY AND EQUIPMENT		
		————— Rupees —————	
	Owned assets	<u>22,354,123</u>	<u>13,024,925</u>
3.1	During the period ended December 31, 2021, additions made amounting to Rs. 14.180 million (June 2021: Rs. 3.42 million) which comprised of office equipment, furniture and fixtures, vehicles and computer items and disposal amounting to Rs. 2.818 million (June 2021: Rs 0.496 million)		
4	INTANGIBLE ASSETS		
	Membership card - Pakistan Mercantile Exchange Limited	1,000,000	1,000,000
	Trading Rights Entitlement (TRE) Certificate	2,500,000	2,500,000
		<u>3,500,000</u>	<u>3,500,000</u>
5	LONG TERM DEPOSIT		
	National Clearing Company of Pakistan Ltd - DFC deposit	1,000,000	1,000,000
	Central Depository Company of Pakistan Ltd	100,000	100,000
	National Clearing Company of Pakistan Ltd - Security deposit	200,000	200,000
	Pakistan Mercantile Exchange Ltd	2,500,000	2,500,000
	National Clearing Company of Pakistan Ltd - Ready exposure deposit	200,000	200,000
		<u>4,000,000</u>	<u>4,000,000</u>
6	TRADE DEBTS - Considered good and secured		
	Trade receivables - gross	62,553,188	75,549,847
	Less: Impairment against trade receivable	(2,121,114)	(2,121,114)
		<u>60,432,074</u>	<u>73,428,733</u>

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	———— Rupees ————	
7	SHORT TERM INVESTMENTS		
	<i>At fair value through profit or loss</i>		
	<i>Quoted equity securities</i>		
	Investment in quoted equity securities	158,368,758	195,586,922
	<i>UnQuoted equity securities</i>		
	Investment in Dawood Family Takaful Limited	<u>1,473,014</u>	<u>1,473,014</u>
		<u><u>159,841,772</u></u>	<u><u>197,059,936</u></u>
8	LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Exposure & loss deposit with NCCPL	27,228,364	69,173,851
	Loans to employees - unsecured	69,000	571,000
	Dividend Receivable	-	103,000
	Prepaid Insurance	128,350	-
	Other Receivables	<u>2,646,694</u>	<u>2,646,694</u>
		<u><u>30,072,408</u></u>	<u><u>72,494,545</u></u>
9	CASH AND BANK BALANCES		
	<i>Cash at hand</i>	95,496	42,674
	<i>Cash at bank</i>		
	- current account	<u>166,737,693</u>	<u>159,425,071</u>
	- saving account	<u>527,516</u>	<u>108,963</u>
		<u><u>167,265,209</u></u>	<u><u>159,534,034</u></u>
		<u><u>167,360,705</u></u>	<u><u>159,576,708</u></u>
9.1	Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 114.777 million (June 2021: Rs. 138.30 million).		
10	LOAN FROM A DIRECTOR		
	Opening balance	28,059,123	2,500,000
	Loan received during the year	-	31,000,000
	Effect of discounting of the loan credited to equity	-	(5,900,852)
	Effect of unwinding of loan during the year	<u>1,423,110</u>	<u>459,975</u>
	Closing balance	<u><u>29,482,233</u></u>	<u><u>28,059,123</u></u>
10.1	During the last year, the company received an interest free loan of Rs. 31 million from the director (Mr. Munir) for the purpose of working capital financing. Since the loan is to be repaid after 2 years from the date of disbursement, it has been discounted at the company's borrowing rate of KIBOR + 3%. Hence the company measured it at its present value in accordance with the requirement of IFRS 9 <i>Financial Instruments</i> and Technical release 32 <i>Accounting Director's Loan</i> issued by the Institute of Chartered Accountant of Pakistan (ICAP).		

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
11	TRADE AND OTHER PAYABLES	<i>Note</i> ——— Rupees ———	
	Creditors	113,977,885	137,494,005
	Dealer commission payable	3,739,685	2,894,288
	Dealer tax payable	313,751	1,202,184
	Exposure withheld	10,642,875	30,648,528
	Profit withheld	1,895,240	1,391,203
	Accrued expenses and other payables	1,630,341	5,004,929
		<u>132,199,777</u>	<u>178,635,137</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 There are no material contingencies as at 31 December 2021.

12.2 There are no commitments as at 31 December 2021 (June 2021: Nil)

		(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
13	OPERATING REVENUE	<i>Note</i> ——— Rupees ———	
	Brokerage Commission income	24,285,903	32,405,986
	Book building & IPO commission	611,661	328,413
	Dividend income	5,086,358	1,418,809
	Profit on future cash margin	715,027	463,985
	Profit on BMC Cash Deposit	-	1,529
		<u>30,698,949</u>	<u>34,618,722</u>

14 ADMINISTRATIVE EXPENSE

	Directors' remuneration	1,392,000	1,392,000
	Salaries, benefits and allowances	7,887,059	4,075,540
	Legal and professional charges	232,600	112,000
	CDC charges	176,234	-
	PSX and SECP charges	572,566	923,041
	NCCPL charges	701,887	791,550
	Printing and stationery	492,788	207,648
	Auditor's remuneration	131,800	201,600
	Rent, rates and taxes	122,158	84,760
	Electricity charges	969,349	138,905
	Entertainment expenses	740,930	557,363
	Repair and maintenance	3,085,183	768,034
	Communication expense	3,081,871	1,285,608
	Insurance	128,350	-
	Depreciation	2,032,796	-
	General expense	2,188,377	982,133
		<u>23,935,948</u>	<u>11,520,182</u>

		(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	<i>Note</i>	Rupees	
15	FINANCE COST		
	Interest on unwinding of long term loan from director	1,423,110	-
	Bank charges	54,876	50,568
	Markup on short term borrowings	13,587	63,871
		<u>1,491,573</u>	<u>114,439</u>
16	OTHER INCOME / (EXPENSE) - NET		
	Loss on disposal of Vehicle	(220,711)	-
	Profit on bank deposit	447,698	91,934
	Rental Income	200,000	440,000
	Others	601,567	2,787,498
		<u>1,028,554</u>	<u>3,319,432</u>
17	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	<u>167,360,705</u>	<u>169,887,337</u>

17 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel and directors and their close family members, major shareholders of the Company. Transaction with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transactions with related parties during the year and balances as at year has been disclosed in the relevant notes to the financial statements.

17.1

Name of the related party, relationship with company and Nature of Transaction	Six months period ended	
	December 31, 2021	December 31, 2020
	Rupees	
<i>Note</i>		
<i>Transaction with related parties</i>		
<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>		
Abdul Basit Munir		
<i>Transaction during the period</i>		
Commission earned on sale and purchase of securities	70,875	82,489
<i>Balances with related parties at the end of reporting periods</i>		
	December 31, 2021	June 30, 2021
	Rupees	
<u>KEY MANAGEMENT PERSONNEL</u>		
Muhammad Farooq (CEO / Director)		
Trade Payable	972,526	115,658
Muhammad Munir (Director)		
Trade Payable	6,146,542	982,443
<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>		
Faizan Farooq		
Trade Payable	558,980	1,333,112
Qasim Farooq		
Trade Receivable	186,699	-
Trade Payable	-	33,410
Anjum Banoo		
Trade Payable	774,877	1,645,985
Abdul Basit Munir		
Trade Payable	187,508	-
Trade Receivable	-	1,382
Muqheet Munir		
Trade Payable	27,354	82,192

17.2 The company charges no commission from the directors, their spouses and their children.

17.3 The company's branch office, suit no. 506, 5th Floor, Emerald Tower. Near 2 Talwar, Clifton, Block - 5, Karachi has been rented to the company by Mr Faizan Farooq(CEO's child). As per the rent agreement the property has been rented to the company for Rs 1,000 per month for a period of 4 years.

18 **Fair value hierarchy**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

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

Following is the fair value hierarchy of financial assets carried at fair value in the balance sheet:

December 31, 2021	Level 1	Level 2	Level 3	Total
	Rupees			
Short term investments	158,368,758	-	1,473,014	159,841,772
	<u>158,368,758</u>	<u>-</u>	<u>1,473,014</u>	<u>159,841,772</u>
June 30, 2021	Level 1	Level 2	Level 3	Total
	Rupees			
Short term investments	195,586,922	-	1,473,014	197,059,936
	<u>195,586,922</u>	<u>-</u>	<u>1,473,014</u>	<u>197,059,936</u>

19 **PATTERN OF SHAREHOLDING**

Name of Shareholders	December 31, 2021		December 31, 2020	
	Shares held	% of holding	Shares held	% of holding
Mohammad Farooq Moosa	1,299,997	93.52%	1,299,997	93.52%
Mohammad Munir	90,003	6.48%	90,003	6.48%
	<u>1,390,000</u>	<u>100%</u>	<u>1,390,000</u>	<u>100%</u>

20 **GENERAL**

Figures have been rounded off to the nearest rupee and corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.


CHIEF EXECUTIVE


DIRECTOR

