

3RD QUARTERLY REPORT  
for the Quarter & Nine Months  
ended March 31, 2018

**BRAINS SECURITIES (PRIVATE) LIMITED**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### CHAIRMAN

Chaudhary Zahid Hussain

### CHIEF EXECUTIVE

Chaudhary Zahid Hussain

### DIRECTORS

Chaudhary Zahid Hussain  
Mr. Muhammad Rizwan Zafar Khan

### AUDITORS

Amin Mudassar & Co  
Chartered Accountants

### LEGAL ADVISOR

Mian Asghar Mahmood

### BANKERS

Habib Bank Limited

### REGISTERED OFFICE

Room # 613, LSE Building,  
19-Khayaban-e-Awan-e-Iqbal,  
Lahore.  
Tel: +92-42-36300161-3  
Website: [www.brainssecurities.com](http://www.brainssecurities.com)  
Emai: [info@brainssecurities.com](mailto:info@brainssecurities.com)

## DIRECTORS' REVIEW

I am pleased to present the interim financial results of the Company for the quarter and nine months ended March 31, 2018.

During the quarter, the Company's Brokerage Income was slightly less as compared to the quarter ended March 31, 2017.

Profit after tax for the quarter is Rs. 1,455,689 as compared to the loss of the quarter ended March 31, 2017, which was Rs.569,068.

I would like to commend and acknowledge, on behalf of the Board, the devotion and hard work of our employees and all other stakeholders in creating Brains Securities (Pvt) Ltd. what it is today.

Lahore  
April 24, 2018

For and on behalf of the Board



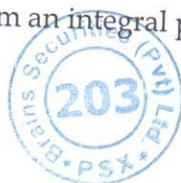
  
Chaudhary Zahid Hussain  
Chairman

**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018 (Unaudited)**

	(Un-audited) March 31, 2018 Rupees	(Audited) June 30, 2017 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	1,003,020	1,073,532
Intangible assets	5,245,336	5,264,870
Long term investments	10,634,985	10,634,985
Long term deposits	1,500,000	1,000,000
	<b>18,383,341</b>	<b>17,973,387</b>
<b>CURRENT ASSETS</b>		
Trade debts	6,327,368	6,935,560
Investment at fair value through profit and loss	-	329,135
Trade deposits ,short term prepayments and current account balance with statutory authorities	7,211,760	4,578,285
Cash and bank balances	7,629,831	13,305,016
	<b>21,168,959</b>	<b>25,147,996</b>
	<b>39,552,300</b>	<b>43,121,383</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized Share Capital</b> 350,000 (June 30, 2017: 100,000) ordinary shares of Rs.100 each.	<b>35,000,000</b>	<b>10,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b> 287,000 (June 30, 2017: 100,000) ordinary shares of Rs.100	28,700,000	10,000,000
Accumulated loss	(1,695,317)	(1,278,451)
Fair Value Adjustment Reserve	9,324,718	9,324,718
Share Deposit Money	36,329,401	18,046,267
	-	12,500,000
Director's Loan	36,329,401	30,546,267
	-	1,183,000
	<b>36,329,401</b>	<b>31,729,267</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,222,899	11,392,116
	<b>3,222,899</b>	<b>11,392,116</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>39,552,300</b>	<b>43,121,383</b>

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

CHIEF EXECUTIVE



DIRECTOR

**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018 (Unaudited)**

	(Un-audited) March 31, 2018 Rupees	(Audited) June 30, 2017 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	1,003,020	1,073,532
Intangible assets	5,245,336	5,264,870
Long term investments	10,634,985	10,634,985
Long term deposits	1,500,000	1,000,000
	<b>18,383,341</b>	<b>17,973,387</b>
<b>CURRENT ASSETS</b>		
Trade debts	6,327,368	6,935,560
Investment at fair value through profit and loss	-	329,135
Trade deposits ,short term prepayments and current account balance with statutory authorities	7,211,760	4,578,285
Cash and bank balances	7,629,831	13,305,016
	21,168,959	25,147,996
	<b>39,552,300</b>	<b>43,121,383</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized Share Capital 350,000 (June 30, 2017: 100,000) ordinary shares of Rs.100 each.	<b>35,000,000</b>	<b>10,000,000</b>
Issued, Subscribed and Paid up Capital 287,000 (June 30, 2017: 100,000) ordinary shares of Rs.100	28,700,000	10,000,000
Accumulated loss	(1,695,317)	(1,278,451)
Fair Value Adjustment Reserve	9,324,718	9,324,718
Share Deposit Money	36,329,401	18,046,267
	-	12,500,000
Director's Loan	36,329,401	30,546,267
	-	1,183,000
	36,329,401	31,729,267
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,222,899	11,392,116
	3,222,899	11,392,116
	-	-
	<b>39,552,300</b>	<b>43,121,383</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-

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

CHIEF EXECUTIVE




DIRECTOR



**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

	Nine Months ended March 31		Quarter ended March 31	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Brokerage and commission	4,607,860	5,435,383	1,551,005	2,002,328
Direct cost	4,607,860	5,435,383	1,551,005	2,002,328
	<u>537,853</u>	<u>1,834,831</u>	<u>208,473</u>	<u>871,561</u>
	4,070,007	3,600,552	1,342,532	1,130,767
Operating expenses	3,114,015	2,039,836	1,332,315	591,540
Other (income)/expense	122,797	(453,591)	(1,861,760)	(30,933)
	<u>3,236,812</u>	<u>1,586,245</u>	<u>(529,445)</u>	<u>560,607</u>
<b>PROFIT/(LOSS) FROM OPERATIONS</b>	<b>833,195</b>	<b>2,014,307</b>	<b>1,871,977</b>	<b>570,160</b>
Finance cost	5,316	8,134	0	1,092
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>827,879</b>	<b>2,006,173</b>	<b>1,871,977</b>	<b>569,068</b>
Taxation	1,244,745	0	416,288	0
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b><u>(416,866)</u></b>	<b><u>2,006,173</u></b>	<b><u>1,455,689</u></b>	<b><u>569,068</u></b>
<b>EARNING PER SHARE - BASIC AND DILUTED</b>	<b><u>(1.45)</u></b>	<b><u>20.06</u></b>	<b><u>5.07</u></b>	<b><u>5.69</u></b>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

	Nine Months ended March 31		Quarter ended March 31	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Brokerage and commission	4,607,860	5,435,383	1,551,005	2,002,328
Direct cost	4,607,860	5,435,383	1,551,005	2,002,328
	<u>537,853</u>	<u>1,834,831</u>	<u>208,473</u>	<u>871,561</u>
Operating expenses	4,070,007	3,600,552	1,342,532	1,130,767
Other (income)/expense	3,114,015	2,039,836	1,332,315	591,540
	122,797	(453,591)	(1,861,760)	(30,933)
	<u>3,236,812</u>	<u>1,586,245</u>	<u>(529,445)</u>	<u>560,607</u>
<b>PROFIT/(LOSS) FROM OPERATIONS</b>	<u>833,195</u>	<u>2,014,307</u>	<u>1,871,977</u>	<u>570,160</u>
Finance cost	5,316	8,134	0	1,092
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<u>827,879</u>	<u>2,006,173</u>	<u>1,871,977</u>	<u>569,068</u>
Taxation	1,244,745	0	416,288	0
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<u>(416,866)</u>	<u>2,006,173</u>	<u>1,455,689</u>	<u>569,068</u>
<b>EARNING PER SHARE - BASIC AND DILUTED</b>	<u>(1.45)</u>	<u>20.06</u>	<u>5.07</u>	<u>5.69</u>

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

CHIEF EXECUTIVE



DIRECTOR

**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

	Nine Months ended March 31		Quarter ended March 31	
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(416,866)	2,006,173	1,455,689	569,068
Other comprehensive income/(loss) for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(416,866)</b>	<b>2,006,173</b>	<b>1,455,689</b>	<b>569,068</b>

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

CHIEF EXECUTIVE



DIRECTOR



**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

	Note	Nine Months ended March 31	
		2018 Rupees	2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		827,879	2,006,173
<b>Adjustments of items not involving movements of cash:</b>			
Depreciation		119,812	139,236
Amortization		19,534	21,524
Finance Cost		5,316	8,134
<b>Operating Cash Flows Before Working Capital Changes</b>		144,662	168,894
		972,541	2,175,067
<b>(Increase) / Decrease in Working Capital</b>			
(Increase) / decrease in current assets			
Trade Debts		608,192	(10,997,419)
Trade deposits and short term prepayments		(2,633,475)	(528,079)
Increase / (decrease) in current liabilities			
Trade and other payables		(8,169,217)	471,591
<b>Cash Generated From / (Used in) Operations</b>		(10,194,500)	(11,053,907)
Taxes paid		(9,221,959)	(8,878,840)
Finance Cost Paid		(1,244,745)	-
		(5,316)	(8,134)
<b>Net cash Flows From Operating Activities</b>		(10,472,020)	(8,886,974)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed Capital Expenditure		(49,300)	(119,400)
Long Term Deposits		(500,000)	-
Short Term Investment		329,135	(26,322)
<b>Net Cash Flows From Investing Activities</b>		(220,165)	(145,722)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shared issued during the period		18,700,000	-
Share Deposit Money		(12,500,000)	-
Director's Loan		(1,183,000)	7,704,926
<b>Net Cash Flows From Financing Activities</b>		5,017,000	7,704,926
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(5,675,185)	(1,327,770)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		13,305,016	4,556,065
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	A	7,629,831	3,228,295
<b>A Cash and Cash Equivalents</b>			
Cash and bank balances		7,629,831	3,228,295
		7,629,831	3,228,295

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**BRAINS SECURITIES (PVT) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

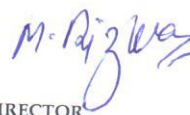
	Paid up capital	Accumulated loss	Fair Value Adjustment Reserve	Share deposit money	Long Term Loan	Total
	----- (R u p e e s) -----					
Balance as at July 01, 2016	10,000,000	(1,120,257)	8,227,940	0	0	17,107,683
Share Capital Issued During the Period	0	0	0	0	0	0
Loss After Taxation		2,006,173			0	2,006,173
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	2,006,173	0	0	0	2,006,173
Balance as at March 31, 2017	10,000,000	885,916	8,227,940	0	0	19,113,856
Balance as at July 01, 2017	10,000,000	(1,278,451)	9,324,718	12,500,000	1,183,000	31,729,267
Share Capital Issued During the Period	18,700,000	0	0	0	0	18,700,000
Share Deposit Money	0	0	0	(12,500,000)	0	(12,500,000)
Director's Loan	0	0	0	0	(1,183,000)	(1,183,000)
Loss After Taxation	0	(416,866)	0	0	0	(416,866)
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	(416,866)	0	0	0	(416,866)
Balance as at March 31, 2018	28,700,000	(1,695,317)	9,324,718	0	0	36,329,401

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

CHIEF EXECUTIVE




DIRECTOR



**BRAINS SECURITIES (PVT) LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Unaudited)**

**1 COMPANY AND ITS OPERATION**

The company was incorporated as Private Limited Company on July 24, 2015 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room # 613, LSE Building, 19-Khayaban-e-Awan-e-Iqbal, Lahore.

The company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited.

**2 STATEMENT OF COMPLIANCE**

This interim financial information of the Company for the quarter and nine months ended March 31, 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This interim financial information is un-audited and is being submitted to shareholders, as required by the Companies Act, 2017.

**3 BASIS OF PREPARATION**

This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2017.

The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2017.



#### 4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2017.

#### 5 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the date of preceding annual financial statements.

#### 6 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 24, 2018 by the Board of Directors of the Company.

#### 7 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

CHIEF EXECUTIVE



DIRECTOR

