



THIRD QUARTERLY REPORT
Period Ended March 31, 2020

Trust Securities & Brokerage Limited

COMPANY INFORMATION

Board of Directors:

Ms. Zenobia Wasif
Mr. Abdul Basit
Mr. Muhammad Khurram Faraz
Mr. Khizer Hayat Farooq
Mr. Junaid Shehzad Ahmad
Wing Comm. Talat Mahmood (Retd.)
Mr. Zulfiqar Ali Anjum

Chairperson/Director (Non-Executive)
Chief Executive Officer/Director (Executive)
Director (Non-Executive)
Director Non-Executive (Independent)
Director Non-Executive
Director Non-Executive (Independent)
Director Executive

Chief Financial Officer

Muhammed Ahmed

Company Secretary

Syed Maqsood Ahmad

Audit Committee:

Wing Comm. Talat Mahmood (Retd.)	Chairman
Mr. Khizer Hayat Farooq	Member
Mr. Junaid Shehzad Ahmad	Member

H.R & Remuneration Committee:

Mr. Khizer Hayat Farooq	Chairman
Mr. Muhammad Khurram Faraz	Member
Ms. Zulfiqar Ali Anjum	Member

Auditors:

Reanda Haroon Zakaria & Company
Chartered Accountants

Internal Auditors:

Muhammad Adnan Siddiqui
Chartered Accountant

Legal Advisors:

Lashari & Co

Share Registrar:

Hameed Majeed Associates (Pvt.) Ltd.
H.M. House, 7-Bank Square, Lahore.
Tel: (92-42) 3723 5081-82, Fax: (92-42) 37358817

Bankers:

Habib Bank Limited
J.S. Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

MCB Bank Limited
Al-Baraka Bank (Pakistan) Limited
Bank Islami Limited
Bank AL Habib Limited

Registered Office:

Suite No. 401, 4th 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:

2nd Floor, PSX New Building
Stock Exchange Road, Karachi, Pakistan
Tel: (92-21) 32460161-7, Fax: (92-21) 32467660

Branch Office Lahore:

2nd Floor, Associated House
Building No. 1&2, 7-Kashmir Road, Lahore
Tel: (92-42) 36310241-44, Fax: (92-42) 36373040

Branch Office LSE Plaza, Lahore:

Room No. 607, 6th Floor, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: (92-42) 36300181, 36300554, 36373045, 36374710

DIRECTORS' REPORT

For the Year Ended 31st March, 2020

DEAR SHAREHOLDERS,

The directors are pleased to present the Un-Audited Financial Statements of the Company for the year ended 31st March 2020 together with Directors' report thereon as per accounting, regulatory and legal requirements.

Following is the summary of the company's financial performance during the quarter:

	March 31' 2020	March 31' 2019
Revenue	30,243,755	11,249,329
Operating Loss	(5,262,477)	(8,174,882)
Profit/Loss Before Taxation	2,046,079	(3,146,602)
Profit/Loss After Taxation	1,700,722	(3,438,425)

We are pleased to announce the company's financial results for 9 months ended was has seen a jump in revenue hence achieving a net profit and positive EPS.

The company earned a net profit of Rs. 1.7 Million for the 3rd Quarter ended 2020 against a net loss of Rs. 3.43 Million in the previous corresponding period i.e. March 31' 2019.

In order to give strength and growth towards the company, a significant increase in business activity, the operating expenses of Rs. 31 Million was incurred for the current year.

The earning per share for the nine months ended March 31, 2020 was 0.79 which is state contrast to the losses of previous years.

The primary factors resulting in increased revenues were brisk activity in the number of daily trades as well as for the first time the revenues earned from the newly incorporated license of Pakistan Mercantile Exchange (PMEX) were included. There were ups and downs in the market due to the ongoing pandemic Coronavirus (Covid -19) but with immediate steps taken by the government in form of packages resulted to the stability of the bourse.

ACKNOWLEDGMENT

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.

We would like to acknowledge the Securities and Exchange Commission of Pakistan (SECP), Central Depository Company of Pakistan Limited (CDC) and National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) for their efforts to strengthen capital markets and measures to protect investor rights.

For and on behalf of the Board

Sd/-
ZENOBIAS WASIF
Chairperson/Director

Sd/-
ABDUL BASIT
Chief Executive Officer

Karachi: April 28, 2020

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
	Note		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	14,939,554	13,475,292
Intangibles	6	6,357,184	6,563,434
Long term investments	7	2,720,000	2,720,000
Long term deposits	8	1,660,000	1,675,149
Deferred taxation	9	-	-
		25,676,738	24,433,875
Current Assets			
Short term investments	10	19,098,508	2,289,821
Trade debts	11	93,465,556	33,784,462
Investment in margin financing	12	18,041,084	19,960,193
Investment in margin trading system - net	13	455,100	5,100,203
Advances, deposits, prepayments and other receivables	14	70,341,568	65,135,295
Tax refunds due from government	15	3,683,075	6,911,780
Cash and bank balances	16	71,956,451	85,333,827
		277,041,341	218,515,581
Total Assets		302,718,079	242,949,456
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
75,000,000 (2019 : 75,000,000) Ordinary shares			
Ordinary shares) of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up capital	17	300,000,000	300,000,000
Reserves			
Accumulated losses		(106,125,148)	(129,759,698)
Shareholders' Equity		193,874,852	170,240,302
Current Liabilities			
Current portion of lease liabilities	18	3,130,286	-
Trade and other payables	19	105,712,941	72,709,154
		108,843,227	72,709,154
Contingency and Commitment	20		
Total Equity and Liabilities		302,718,079	242,949,456

The annexed notes form an integral part of these financial statements

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2020

	Note	(Un-Audited) Nine months ended		(Un-Audited) Third quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees -----			
Operating revenue	21	71,013,128	28,815,273	30,243,755	11,249,329
Gain on sale of securities		12,581,560	1,218,420	804,699	1,135,643
Loss on re-measurement of investments		(5,627,802)	(2,673,038)	(4,988,992)	(2,521,088)
		77,966,886	27,360,655	26,059,463	9,863,884
Operating and administrative expenses		(73,928,551)	(45,821,540)	(31,108,554)	(17,707,959)
Finance cost		(1,584,110)	(410,510)	(213,387)	(330,807)
		(75,512,661)	(46,232,050)	(31,321,940)	(18,038,766)
Operating Profit / (Loss)		2,454,225	(18,871,395)	(5,262,477)	(8,174,882)
Other charges		-	(235,594)	-	-
Other operating income		25,863,573	12,368,593	7,308,556	5,028,280
Profit / (Loss) before taxation		28,317,797	(6,738,395)	2,046,079	(3,146,602)
Taxation		(4,683,247)	(389,097)	(345,357)	(291,823)
Profit / (Loss) after taxation		23,634,550	(7,127,492)	1,700,722	(3,438,425)
Earning/ (Loss) per share - basic and diluted		0.79	(0.24)	0.06	(0.11)

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

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2020

	<u>(Un-Audited)</u>		<u>(Un-Audited)</u>	
	<u>Nine months ended</u>		<u>Third quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>----- Rupees -----</u>			
Loss after tax for the period	23,634,550	(7,127,492)	1,700,722	(3,438,425)
Other comprehensive income :				
Present value adjustment of interest free loan	-	-	-	-
Total comprehensive Profit / (loss) for the period	<u>23,634,550</u>	<u>(7,127,492)</u>	<u>1,700,722</u>	<u>(3,438,425)</u>

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

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2020

	<i>(Un-audited)</i> <i>March 31,</i> <i>2020</i>	<i>(Un-audited)</i> <i>March 31,</i> <i>2019</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	28,317,797	(6,738,395)
Adjustment for non-cash charges and other items		
Depreciation	3,875,955	803,930
Amortization	206,250	160,416
Provision for doubtful debts	802,499	283,997
Interest income	(5,999,364)	-
Finance cost	1,584,110	-
Dividend income	(988,680)	-
Capital gain on sale of investment	(12,581,560)	(1,218,420)
Reversal of provision for bad debts	(6,681,718)	(149,442)
Gain on sale of fixed assets	(876)	(1,220)
Unrealised loss on remeasurement of investment	5,627,802	2,673,038
	(14,155,581)	2,552,299
	14,162,216	(4,186,096)
Changes in Working Capital:		
Decrease / (Increase) in current assets		
Trade debts	(63,166,669)	(22,981,029)
Receivable from margin financing	1,919,109	(29,378,665)
Investment in margin trading system - net	4,645,103	-
Advances, deposits, prepayments and other receivables	(5,206,273)	(15,991,736)
	(61,808,729)	(68,351,429)
Increase / (decrease) in current liabilities		
Trade and other payables	33,003,787	54,048,497
Cash used in operations	(14,642,726)	(18,489,028)
Taxes paid	7,911,952	(4,864,964)
Finance cost paid	(1,584,110)	-
Long term deposits - net	15,149	50,000
Net cash used in operating activities	(8,299,736)	(23,303,992)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(389,523)	(11,950,930)
Capital work in progress	(250,000)	-
Purchase of intangibles	-	(2,750,000)
Proceeds from sale of property and equipment	-	5,300
Interest income received	5,999,364	-
Dividend income received	988,680	-
Investments - net	(9,854,929)	(3,566,979)
Net cash generated from / (used in) investing activities	(3,506,408)	(18,262,609)

	<i>2020</i>	<i>2019</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>

C. CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of liabilities against right of use assets	(1,571,232)	-
Receipt of short term borrowing	<u>0</u>	<u>-</u>
Net cash generated from financing activities	<u>(1,571,232)</u>	<u>-</u>
Net decrease in cash and cash equivalents (A+B+C)	(13,377,376)	(41,566,601)
Cash and cash equivalents at beginning of year	<u>85,333,827</u>	<u>125,272,660</u>
Cash and cash equivalents at end of year	15 <u><u>71,956,451</u></u>	<u><u>83,706,059</u></u>

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

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director

TRUST SECURITIES AND BROKERAGE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2020

	Share Capital	Reserves Revenue Accumulated Losses Rupees	Shareholders' Equity
	-----	-----	-----
Balance as at June 30, 2018	300,000,000	(87,969,799)	193,676,750
Loss for the nine months ended March 31, 2019	-	(7,127,492)	(7,127,492)
.	-	(7,127,492)	(7,127,492)
Balance as at March 31, 2019	300,000,000	(95,097,291)	186,549,258
Balance as at June 30, 2019	300,000,000	(129,759,698)	170,240,302
Profit for the nine months ended March 31, 2019	-	23,634,550	23,634,550
	-	23,634,550	23,634,550
Balance as at March 31, 2020	300,000,000	(106,125,148)	193,874,852

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

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director

TRUST SECURITIES AND BROKERAGE LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

1 THE COMPANY AND ITS OPERATION

The Company was incorporated in Pakistan on October 19, 1993 as a Public Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The company is listed on Pakistan Stock Exchange Limited. The Company is the Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited.

The geographical location and address of company offices are as under:

- Head Office : Suite No. 401, 4th Floor, Business and Finance Center, I.I Chundrigar Road, Karachi.

- Branch Offices : Suite No. 202, 2nd Floor New Stock Exchange Building, I.I. Chundrigarh Road, Karachi.

2nd Floor, Associated House, Building # 1 & 2, 7-Kashmir Road, Lahore.

Room No. 607, 6th Floor, LSE Plaza, 19 Khayaban-e-Aiwan-Iqbal, Lahore.

The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities, forex, and other financial instruments and corporate financial services.

Further the company is also engaged in trading in equity and debt securities on its own account through ready, spot and forward counters of the stock exchange.

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019.

2 BASIS OF PREPARATION

2.1 Basis of Measurement

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

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

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

This condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Companies Act, 2017. The figures of the condensed interim statement of profit or loss and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended December 31, 2019 and December 31, 2018.

2.2 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2019.

		<i>(Un-Audited)</i> March 31, 2020 Rupees	<i>(Audited)</i> June 30, 2019 Rupees
	<i>Note</i>		
Operating fixed assets	5.1	14,609,554	13,395,292
Capital work in progress	5.2	330,000	80,000
		14,939,554	13,475,292

5 PROPERTY AND EQUIPMENT

5.1 Operating fixed assets

Opening written down value		13,395,292	1,512,030
Addition during the period	5.3	389,523	8,177,689
Transfer from CWIP		-	4,937,668
Right of use assets		4,701,518	-
Disposals during the period		(12,300)	(265,282)
Depreciation charge on disposal		11,476	261,202
Depreciation charge for the period		(3,875,955)	(1,228,015)
		14,609,554	13,395,292

5.2 Capital work in progress

Opening balance	80,000	400,000
Addition during the year	250,000	4,617,668
Transferred to fixed assets	-	(4,937,668)
Closing balance	330,000	80,000

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

	<i>Additions</i>		<i>Disposals</i>	
	<i>(at cost)</i>		<i>(at net book value)</i>	
	<i>----- Nine months ended -----</i>			
	<i>March 31,</i>	<i>June 30,</i>	<i>March 31,</i>	<i>June 30,</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>----- -Rupees -----</i>			
Computers	214,146	554,986	-	(246,882)
Furniture and fittings	73,500	5,164,382	(12,300)	-
Vehicles	-	49,500	-	-
Office equipment	101,877	2,408,821	-	(18,400)
Right of use assets	4,701,518	-	-	-
	5,091,041	8,177,689	(12,300)	(265,282)

6 INTANGIBLES

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
	Note		
Trading Rights Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited	6.1&6.2	1,280,000	1,280,000
Offices			
LSE Financial Services Limited (LFSL)	6.3	262,600	262,600
Pakistan Mercantile Exchange Limited (PMEX) membership			
Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
Software	6.4	2,314,584	2,520,834
		6,357,184	6,563,434

- 6.1** 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.
- 6.2** This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.
- 6.3** 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.

	(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
6.4 Software		
Opening net book value	2,520,834	-
Additions	-	2,750,000
Amortization charge	(206,250)	(229,166)
Closing net book value	2,314,584	2,520,834
Cost	2,750,000	2,750,000
Accumulated amortization	(435,416)	(229,166)
Net book value	2,314,584	2,520,834
Amortization rate	10%	10%

7 LONG TERM INVESTMENTS

Fair Value thorough - OCI

In shares of Un-quoted company

<i>December 31 2019</i>	<i>June 30, 2019</i>	<i>Name of securities</i>	<i>Note</i>	<i>Carrying Value</i>	
				<i>(Un-Audited) March 31, 2020 Rupees</i>	<i>(Audited) June 30, 2019 Rupees</i>
843,975	843,975	LSE Financial Services Ltd.	7.1	2,720,000	2,720,000
In shares of quoted companies					
5,000	5,000	Sunshine Cotton Mills Limited		1,650	1,650
				1,650	1,650
		Provision for impairment		(1,650)	(1,650)
				2,720,000	2,720,000

7.1 This represents unquoted shares of LSE Financial Services Limited received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012.

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.

7.2 The net asset value of shares of LSE financial service limited is Rs. 22.696 per share This is based on audited financial statements for the year ended June 30, 2019.

8 LONG TERM DEPOSITS

- Unsecured - Considered good

	<i>Note</i>	<i>Carrying Value</i>	
		<i>(Un-Audited) March 31, 2020 Rupees</i>	<i>(Audited) June 30, 2019 Rupees</i>
LSE Financial Service Limited		30,000	30,000
National Clearing Company of Pakistan Limited	8.1	1,400,000	1,400,000
Central Depository Company of Pakistan Limited		100,000	100,000
Utility deposits		130,000	145,149
		1,660,000	1,675,149

8.1 This represents initial deposits to National Clearing Company Pakistan Limited place for future and margin financing.

9 DEFERRED TAXATION

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.

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
	Note		
10 SHORT TERM INVESTMENTS			
<i>At fair value through profit or loss</i>			
In shares of quoted company		19,068,508	2,259,821
In shares of unquoted company	10.1 & 10.2	30,000	30,000
		<u>19,098,508</u>	<u>2,289,821</u>

10.1 Unquoted company

Carrying amount	60,000	60,000
Accumulated impairment	(30,000)	(30,000)
	<u>30,000</u>	<u>30,000</u>

10.2 This represents investment in fully paid ordinary shares of Takaful Pakistan Limited. The break-up value is Rs. 5.11 per share based on un audited financial statements for the period ended June 30, 2019.

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
	Note		
11 TRADE DEBTS			
Considered good		93,465,556	33,784,462
Considered doubtful		26,847,436	60,468,781
		<u>120,312,992</u>	<u>94,253,243</u>
Provision for doubtful debts	11.3 & 11.3	(26,847,436)	(60,468,781)
		<u>93,465,556</u>	<u>33,784,462</u>

11.1 The total value of securities pertaining to clients are Rs. 376.228 million held in sub-accounts of the company. Securities pledged by client to the financial institutions amounting to Rs. 19.015 million.

		(Un-Audited) As on March 31, 2020 Amount	Custody value -----Rupees-----
	Note		
11.2 Aging analysis			

The aging analysis of trade debts is as follows:

Upto fourteen days		83,875,737	366,638,326
More than fourteen days	11.2.1	36,437,254	9,589,819
		<u>120,312,992</u>	<u>376,228,145</u>

11.2.1 Adequate provision of Rs. 26.847 million (2019: Rs.60.469 million) has been provided in respect of amount due from customers.

		<i>(Un-Audited)</i> March 31, 2020 Rupees	<i>(Audited)</i> June 30, 2019 Rupees
	<i>Note</i>		
11.3 Provision for doubtful debts			
Balance as on July 01		60,468,781	53,898,442
Provision made during the year	1	802,499	6,671,378
		61,271,280	60,569,820
Reversal of excess provision		(6,681,718)	(101,039)
Receivables written-off against provision		(27,742,126)	-
		26,847,436	60,468,781

12. INVESTMENT IN 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 78% and charging markup upto the rate of 14% fixed rate.

13. INVESTMENT IN MARGIN TRADING SYSTEM - NET

This amount represents Finanee Participation Ratio (FPR) in Margin Trading System (MTS) as at 31 March 2020.

		<i>(Un-Audited)</i> March 31, 2020 Rupees	<i>(Audited)</i> June 30, 2019 Rupees
	<i>Note</i>		
14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
- Considered good			
Advances			
Advance to staff		4,551,211	4,686,090
Deposits			
Deposit against exposure margin	14.1	32,600,000	28,816,625
Deposits against margin trading system	14.2	29,084,167	26,826,182
		61,684,167	55,642,807
Prepayments			
Short term prepayments		458,650	209,000
Other receivables			
Other receivables include PMEX margin and Commision Receivable		1,293,893	40,000
Markup receivable against leverage products		1,621,292	1,506,878
Retained profit future contract		732,355	3,050,520
		3,647,540	4,597,398
		70,341,568	65,135,295

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

- 14.2** 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.

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
15 TAX REFUNDS DUE FROM GOVERNMENT	Note		
Income tax refundable	15.1	<u>3,683,075</u>	<u>6,911,780</u>
15.1 Income Tax Refundable			
Opening tax refund		6,911,780	1,797,620
Tax paid during the year		<u>1,454,542</u>	<u>5,715,272</u>
		8,366,322	7,512,892
Provision for the year		(4,683,247)	(590,709)
Prior year		<u>-</u>	<u>(10,403)</u>
		<u>3,683,075</u>	<u>6,911,780</u>

16 CASH AND BANK BALANCES

Cash in hand		1,830,969	203,492
Cash at banks			
In current accounts		27,581,766	85,037,342
In saving account	16.1	<u>42,543,717</u>	<u>92,993</u>
	16.2	<u>70,125,482</u>	<u>85,130,335</u>
		<u>71,956,451</u>	<u>85,333,827</u>

- 16.1** Saving account carries markup which ranges from 11.25% to 11.5% (2019 : 2.5% to 11.28%) per annum.

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
16.2 Balance pertaining to :	Note		
Clients		42,577,343	62,197,215
Brokerage house		<u>27,548,139</u>	<u>22,933,120</u>
		<u>70,125,482</u>	<u>85,130,335</u>

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-Audited) March 31, 2020 Number of Shares	(Audited) June 30, 2019		
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10 each fully paid in cash	17.1
		<u>300,000,000</u>	<u>300,000,000</u>

17.1 Pattern of shareholding

Serial Number	Name of shareholder	As at March 31, 2020		As at June 30, 2019	
		Number of share held	% of shares held	Number of share held	% of shares held
1	Sikander Mahmood	7,706,250	25.69%	7,706,250	25.69%
2	Junaid Shehzad Ahmed	3,000,000	10.00%	3,000,000	10.00%
3	Arshad Kalam	2,400,000	8.00%	-	0.00%
4	Paramount Commodities (Private) Limited	2,975,645	9.92%	2,981,645	9.94%
5	Mg Media (Pvt. Limited)	2,291,500	7.64%	2,078,000	6.93%
6	Nash Advertising (Pvt.) Limited	-	0.00%	1,911,000	6.37%
7	Other Institution not more than 5% holding	3,152,101	10.51%	1,586,101	5.29%
8	Other Individuals not more than 5% holding	8,474,504	28.25%	10,737,004	35.79%
		30,000,000	100.00%	30,000,000	100.00%

(Un-Audited) (Audited)
March 31, June 30,
2020 2019
Note Rupees Rupees

18 LEASE LIABILITIES

Lease liabilities		3,130,286	-
Current maturity shown under current liabilities		-	-
	18.1	3,130,286	-

18.1 The implicit rate of return on finance lease is 13.44 % per annum.

(Un-Audited) (Audited)
March 31, June 30,
2020 2019
Rupees Rupees

19 TRADE AND OTHER PAYABLES

Trade creditors	86,673,296	58,134,515
Accrued liabilities	6,469,601	2,163,110
Employees compensated absences	1,636,473	1,816,473
Other liabilities	10,933,571	10,595,056
	105,712,941	72,709,154

20 CONTINGENCY AND COMMITMENT

20.1 Contingency

20.1.1 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 period end having settlement date subsequent to period end: -

	<i>(Un-Audited)</i> March 31, 2020 Rupees	<i>(Audited)</i> June 30, 2019 Rupees
For purchase of shares	93,154,981	379,835,018
For sale of shares	106,089,235	379,504,840

<i>(Un-Audited)</i> Nine months ended		<i>(Un-Audited)</i> 3rd Quarter ended	
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees -----			

21 OPERATING REVENUE

Brokerage income	70,024,448	28,393,286	30,243,755	11,249,329
Dividend income	988,680	421,987	-	-
	71,013,128	28,815,273	30,243,755	11,249,329

22 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.

23 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on April 28, 2020.

24 GENERAL

Figures have been rounded off to the nearest rupee.

Sd/-
Chief Executive

Sd/-
Chief Financial Officer

Sd/-
Director