



FIRST QUARTER REPORT
Period Ended September 30, 2020
(Un-Audited)

TRUST SECURITIES & BROKERAGE LIMITED

COMPANY INFORMATION

Board of Directors:

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

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

Chief Financial Officer

Muhammad Ahmed

Company Secretary

Syed Maqsood Ahmad

Audit Committee:

Mr. Wing Commander Talat Mahmood	Chairman
Mr. Muhammad Khurram Faraz	Member
Mr. Junaid Shehzad Ahmad	Member

H.R & Remuneration Committee:

Mr. Khizer Hayat Farooq	Chairman
Mr. Junaid Shehzad Ahmad	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
MCB Bank Limited

Bank AL Habib Limited
Bank Islami Limited
Bank Alfalah Limited
Bank Al Baraka

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

Website: www.tsbl.com.pk E-mail: info@tsbl.com.pk

DIRECTORS' REPORT

For the Period Ended 30th September 2020

DEAR SHAREHOLDERS,

The Directors are pleased to present the Un-Audited Financial Statements of the Company for the quarter ended 30th September 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:

	September 30' 2020	September 30' 2019
Revenue	71,718,520	8,728,467
Profit/(Loss) after Taxation	26,442,183	(1,540,067)
Earning/(Loss) per share	0.88	(0.05)

We are pleased to announce the company's financial results for the 1st Quarter ended 30th September 2020 which have seen a jump in revenue hence achieving a net profit and positive EPS.

The company earned a net profit of Rs. 26.4 Million for the 1st Quarter ended 2020 against a net loss of Rs. 1.54 Million in the previous corresponding period i.e. September 30' 2019.

The earning per share for three months ended September 30, 2020 was 0.88 which is state contrast to the losses of previous period.

The primary factors resulting in increased revenues were brisk activity in the number of daily trades as well as the revenues earned from Pakistan Mercantile Exchange (PMEX) were included. There were ups and downs in the market due to the ongoing pandemic Coronavirus (Covid -19).

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. October 26, 2020

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	----- Rupees -----	
ASSETS			
Non-Current Assets			
Property and equipment	5	12,980,845	12,989,347
Right of use Asset	6	6,668,310	3,337,495
Intangibles	7	6,219,684	6,288,434
Long term investments	8	2,720,000	2,720,000
Long term deposits	9	2,130,000	2,130,000
Deferred Taxation		9,271,141	9,271,141
		39,989,980	36,736,417
Current Assets			
Short term investments	10	299,685	8,852,700
Trade debts	11	57,765,987	53,477,285
Investment in Margin Financing System	12	69,608,900	46,397,969
Investment in Margin Trading System	13	3,048,030	-
Advances, prepayments and other receivables	14	215,000,844	110,493,354
Tax refunds due from government	15	-	4,672,365
Cash and bank balances	16	68,238,263	37,248,528
		413,961,709	261,142,201
TOTAL ASSETS		453,951,689	297,878,618
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
75,000,000 ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital			
30,000,000 ordinary shares of Rs.10/- each	17	300,000,000	300,000,000
Reserves			
Accumulated losses		(68,426,901)	(94,869,084)
Shareholders' Equity		231,573,099	205,130,916
Current Liabilities			
Current maturity of lease liabilities against assets subject to finance lease	6	4,384,957	3,520,273
Retirement benefits	18	1,636,473	1,636,473
Tax Payable to Government	15	41,141	-
Trade and other payables	19	214,031,349	87,590,956
		220,093,920	92,747,702
Long Term Liabilities			
Long Term Portion of finance lease	6	2,284,670	-
Contingency and Commitments			
	20		
TOTAL EQUITY AND LIABILITIES		453,951,689	297,878,618

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


Chief Executive


Director


Chief Financial Officer

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

		(Un-audited) First quarter ended September 30, 2020	(Un-audited) First quarter ended September 30, 2019
	Note	----- Rupees -----	
Operating revenue	21	71,718,520	8,728,467
Gain on sale of securities		3,903,513	-
Gain / (Loss) on re-measurement of investments		34,948	(4,187,915)
		<u>75,656,981</u>	<u>4,540,551</u>
Operating and administrative expenses	22	(54,225,289)	(15,531,843)
Finance cost	23	(716,656)	(9,560)
		<u>(54,941,945)</u>	<u>(15,541,403)</u>
Operating Profit / (loss)		<u>20,715,036</u>	<u>(11,000,852)</u>
Other charges	24	-	-
Other income	25	11,048,408	9,460,785
Profit / (Loss) before taxation		<u>31,763,444</u>	<u>(1,540,067)</u>
Taxation		(5,321,261)	-
Profit / (Loss) after taxation		<u><u>26,442,183</u></u>	<u><u>(1,540,067)</u></u>
 Profit / (Loss) per share - basic and diluted		 <u><u>0.88</u></u>	 <u><u>(0.05)</u></u>

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



Chief Executive



Director



Chief Financial Officer

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

(Un-audited) First quarter ended September 30, 2020	(Un-audited) First quarter ended September 30, 2019
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----- Rupees -----

Profit / (Loss) for the first quarter	26,442,183	(1,540,067)
Other comprehensive income :		
Total comprehensive Profit / (Loss) for the first quarter	26,442,183	(1,540,067)

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



Chief Executive



Director



Chief Financial Officer

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Share Capital	Revenue Reserves Accumulated Losses	Shareholders' Equity
	----- Rupees -----		
Balance as at June 2019.	300,000,000	(129,759,698)	170,240,302
Total comprehensive profit / (loss) for the first quarter			
(loss) for the first quarter ended September 30, 2019	-	(1,540,067)	(1,540,067)
Total comprehensive (loss) for the first quarter ended September 30, 2019	-	(1,540,067)	(1,540,067)
Balance as at September 30, 2019	300,000,000	(131,299,765)	168,700,235
Balance as at June 2020	300,000,000	(94,869,084)	205,130,916
Total comprehensive profit / (loss) for the first quarter			
Profit for the first quarter ended September 30, 2020	-	26,442,183	26,442,183
Total comprehensive Profit for the first quarter ended September 30, 2020.	-	26,442,183	26,442,183
Balance as at September 30, 2020	300,000,000	(68,426,901)	231,573,099


 Chief Executive


 Director


 Chief Financial Officer

TRUST SECURITIES & BROKERAGE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	(Un-audited) First quarter ended September 30, 2020	(Un-audited) First quarter ended September 30, 2019
	----- Rupees -----	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	31,763,444	(1,540,067)
Adjustment for non-cash charges and other items		
Depreciation & Amortization	1,197,858	445,397
Provision for Doubtful Debt	-	-
Finance cost	716,656	9,560
Reversal of provision for doubtful debts	589,995	(6,681,718)
Interest Income on Saving Account	(389,482)	(866,961)
Interest Income on Exposure deposit	(331,319)	(424,814)
Interest Income on Leverage market products	(3,815,533)	(1,487,292)
Loss on sale of investments	(3,903,513)	-
Unrealised (Gain) / Loss on remeasurement of investments	(34,948)	4,187,915
	(5,970,287)	(4,817,913)
Operating Gain / (loss) before working capital changes	25,793,157	(6,357,980)
Changes in Working Capital :		
(Increase) / decrease in current assets		
Trade debts	(4,878,697)	6,124,469
Advances, prepayments and other receivables	(104,507,490)	(597,818)
Investment in Margin Financing	(23,210,931)	-
Investment in Margin Trading	(3,048,030)	-
Tax Due from Government	4,672,365	-
	(130,972,783)	5,526,651
Increase / (decrease) in current liabilities		
Trade and other payables	126,440,393	40,353,638
Tax Payable to Government	41,141	-
	126,481,534	40,353,638
Cash generated from operations after working capital changes	21,301,908	39,522,309
Taxes paid	(607,755)	(181,114)
Finance cost paid	(558,062)	(9,560)
Payment of employees compensated balances	-	(180,000)
	(1,165,817)	(370,674)
Net cash generated from operating activities	20,136,091	39,151,635

3. CASH FLOWS FROM INVESTING ACTIVITIES

Disposal / (addition) to capital work in progress

Purchase of fixed assets

Investments-net

Profit received on saving account

Profit received on exposure deposit

Profit on leverage market products

(100,000)	(50,000)
(291,679)	(8,140)
9,038,335	(36,514,493)
205,703	866,961
42,854	424,814
3,027,413	1,487,292

Net cash generated from / (used in) investing activities

11,922,626

(33,793,566)

3. CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease obligation

(1,068,982)	-
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Net cash used in financing activities

(1,068,982)

-

Net increase in cash and cash equivalents (A+B)

30,989,735

5,358,069

Cash and cash equivalents at the beginning of the period

37,248,528

85,333,827

Cash and cash equivalents at the end of the period

68,238,263

90,691,896

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



Chief Executive



Director



Chief Financial Officer

TRUST SECURITIES & BROKERAGE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

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, LSE Building, 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.

1.1 A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and significant volatility in the Pakistan Stock Exchange (PSX). However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Company are unclear. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its current assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements are unaudited do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.

These condensed interim financial statements of the Company for the first quarter ended September 30, 2020 has been prepared on the settlement date basis.

2.2 Functional and Presentation Currency

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee.

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, 2020.

ESTIMATES

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, 2020.

5 PROPERTY AND EQUIPMENTS

Property and equipment
Capital Work in Progress

Note

(Un-audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

5.1	12,880,845	12,989,347
	100,000	
	<u>12,980,845</u>	<u>12,989,347</u>

5.1) Property and equipment

Opening written down value	12,989,347	13,395,292
Total additions during the period	291,679	1,090,106
Transferred from CWIP	-	80,000
Total disposals during the period	-	(14,000)
Depreciation charge for the period	(400,181)	(1,573,527)
Depreciation charged on disposal	-	11,476
Closing written down value	<u>12,880,845</u>	<u>12,989,347</u>

(Un-audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

Note

----- Rupees -----

6 RIGHT OF USE ASSETS / LEASE

6.1 Right-of-use assets

Opening Right of use Assets	3,337,495	6,949,837
Additions	4,059,742	-
Depreciation Expenses	(728,927)	(3,612,342)
	<u>3,330,815</u>	<u>(3,612,342)</u>
Closing Right of use Assets	<u>6,668,310</u>	<u>3,337,495</u>

6.2 Lease Liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The future lease payments have been discounted using incremental borrowing cost as at July 1, 2019.

Set out below the carrying amount of lease liabilities and the movements during the year:

Opening lease liability

Note

(Un-audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

Additions
Interest Expense
Payments

Closing lease liability

Current portion of Lease liability'
Non - Current portion of lease liability

3,520,273	6,949,837
4,059,742	-
158,594	637,328
(1,068,982)	(4,066,892)
<u>3,149,354</u>	<u>(3,429,564)</u>
<u>6,669,627</u>	<u>3,520,273</u>
4,384,957	3,520,273
2,284,670	-
<u>6,669,627</u>	<u>3,520,273</u>

7 INTANGIBLES

Trading Rights Entitlement Certificate (TREC)

	Note	(Un-audited) First quarter ended September 30, 2020	Audited Year ended June 30, 2020
----- Rupees -----			
Pakistan Stock Exchange Limited	7.1 & 7.2	1,280,000	1,280,000
Offices			
LSE Financial Services Limited (LFSL)	7.3	262,600	262,600
Pakistan Mercantile Exchange Limited.		2,500,000	2,500,000
Software	7.4	2,177,084	2,245,834
		6,219,684	6,288,434

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.

7.4) Software

	(Un-audited) First quarter ended September 30, 2020	Audited Year ended June 30, 2020
----- Rupees -----		
Opening net Book Value	2,245,834	2,520,834
Additions	-	-
Amortization	(68,750)	(275,000)
Closing net book value	2,177,084	2,245,834
Amortization Rate	10%	10%

8 LONG TERM INVESTMENTS

PERMANENT INVESTMENTS					
				(Un-audited)	Audited
September 30, 2020	June 30, 2020	Name of Securities		First quarter ended September 30, 2020	Year ended June 30, 2020
Number of Shares			Note	----- Rupees -----	
In shares of Un-quoted company - At cost					
843,975	843,975	LSE Financial Services Limited	8.1	2,720,000	2,720,000
Available for sale - In shares of quoted companies					
5,000	5,000	Sunshine Cotton Mills Limited		1,650	1,650
		Provision for impairment		(1,650)	(1,650)
				2,720,000	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.

(Un-Audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

9 LONG TERM DEPOSITS

Unsecured - Considered good

National Clearing Company of Pakistan Limited	1,400,000	1,400,000
Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Mercantile Exchange Limited	500,000	500,000
Utility deposits	130,000	130,000
	<u>2,130,000</u>	<u>2,130,000</u>

10 SHORT TERM INVESTMENTS

At fair value through profit or loss - Initially designated

September 30, 2020	June 30, 2020	Name of Securities
Number of Shares		

Note

(Un-audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

In shares of quoted company				
8,000	8,000	Fauji Foods Limited	128,160	105,520
-	12,700	Pakistan State Oil Limited	-	2,154,301
8,500	-	Unity Foods Limited.	141,525	-
In shares of unquoted company				
4500	4,500	Takaful Pakistan Limited - related party	60,000	60,000
		Less: Provision for impairment	(30,000)	(30,000)
			30,000	30,000
			<u>299,685</u>	<u>2,289,821</u>

11 TRADE DEBTS

(Un-audited)	Audited
First quarter ended September 30, 2020	Year ended June 30, 2020

Note

----- Rupees -----

Considered good	57,765,987	53,477,285
Considered doubtful	10,920,908	11,510,903
	<u>68,686,895</u>	<u>64,988,188</u>
Provision for doubtful debts	(10,920,908)	(11,510,903)
	<u>57,765,987</u>	<u>53,477,285</u>

(Un-audited)	(Audited)
First quarter ended September 30, 2020	Year ended June 30, 2020

Note

----- Rupees -----

11.1) Provision for doubtful debts

Balance at beginning of the period

Provision made during the period

Reversal of excess provision

Considered bad debts written off

11,510,903	60,468,781
-	1,215,871
11,510,903	61,684,652
(589,995)	(43,492,031)
-	(6,681,718)
10,920,908	11,510,903

11.2) Aging analysis

The aging analysis of trade debts is as follows:

Note	As at September 30, 2020		As at June 30, 2020	
	Amount	Custody value	Amount	Custody value
	-----Rupees-----		-----Rupees-----	
Upto fourteen days	55,803,866	605,520,253	45,270,262	11,095,559
More than fourteen days	12,883,029	1,962,121	19,717,926	83,157,684
	68,686,895	607,482,374	64,988,188	94,253,243

12 INVESTMENT IN MARGIN FINANCING

(Un-audited)	(Audited)
First quarter ended September 30, 2020	Year ended June 30, 2020
----- Rupees -----	
69,608,899.64	46,397,969.00

Note

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 ranging between the rate of 10% to 21.85% fixed rate.

13 INVESTMENT IN MARGIN TRADING SYSTEM - NET

(Un-audited)	(Audited)
First quarter ended September 30, 2020	Year ended June 30, 2020
----- Rupees -----	
3,048,030.00	-

Note

This amount represents Finanee Participation Ratio (FPR) in Margin Trading System (MTS) as at 30 September, 2020.

14 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

- Considered good

Advances

Advances to staff

Advance for office maintainance

Deposits

Deposit against exposure margin

Deposit against margin trading system

Prepayments

Short term prepayments

Other receivables

Other receivables

PMEX Clearing house

Markup receivable against Saving account & Leverage Product

Capital gain tax receivable

Retained Profit future Contract from NCCPL

Note

(Un-audited)	(Audited)
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

3,413,686	3,639,186
919,600	229,900
4,333,286	3,869,086
102,643,713	70,700,000
103,357,523	31,170,982
206,001,236	101,870,982
80,000	80,000
148,000	25,000
2,358,122	1,723,354
1,260,364	1,248,163
-	802,497
819,836	874,272
215,000,844	110,493,354

15 TAX (PAYABLE) / REFUNDABLE

Income Tax Refundable

Opening tax refund

Provision for the period

Prior Year

Tax paid during the period - Net

Tax (Payable) / Refundable from Government

4,672,365	6,911,780
(5,321,261)	(4,433,053)
-	(136,749)
(648,896)	2,478,727
607,755	2,330,387
(41,141)	4,672,365

Note

(Un-audited)	(Audited)
First quarter ended September 30, 2020	Year ended June 30, 2020

----- Rupees -----

16 CASH AND BANK BALANCES

Cash in Hand

Cash at banks

In Current account

In saving account

16.1

427,558	607,211
66,987,958	34,335,181
822,747	2,306,136
67,810,705	36,641,317
68,238,263	37,248,528
66,842,805	33,863,484
967,900	2,777,833
67,810,705	36,641,317

16.1) Balance pertaining to

- clients

- brokerage house

Note	(Un-audited)	Audited
	First quarter ended September 30, 2020	Year ended June 30, 2020
	----- Rupees -----	

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of Shares	
September 30, 2020	June 30, 2020

30,000,000	30,000,000	Ordinary shares of Rs.10 each fully paid in cash	17.1	300,000,000	300,000,000
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17.1) Pattern of shareholdings

	As at September 30, 2020		As at June 30, 2020	
	Number of shares held	% of shares held	Number of shares	% of shares held
Categorises of				
Associated Companies, Undertakings and Related Parties				
- Mr. Sikander Mahmood	7,706,250	25.69%	7,706,250	25.69%
- Mr. Junaid Shehzad Ahmed	3,000,000	10.00%	3,000,000	10.00%
- Foresight Investment Pakistan (Pvt) Ltd.	2,765,000	9.22%	2,765,000	9.22%
- Paramount Commodities (Pvt.) Ltd.	2,975,645	9.92%	2,975,645	9.92%
- Mg Media (Pvt.) Ltd.	2,401,500	8.01%	2,401,500	8.01%
- Other Institution not more than 5% holding	1,964,101	6.55%	334,600	1.12%
- Other individuals not more than 5% holding	9,187,504	30.63%	10,817,005	36.06%
	30,000,000	100.00%	30,000,000	100.00%

Note	(Un-audited)	(Audited)
	First quarter ended September 30, 2020	Year ended June 30, 2020
	----- Rupees -----	

18 RETIREMENT BENEFITS

Employees compensated absences

1,636,473	1,636,473
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19 TRADE AND OTHER PAYABLES

Trade creditors	150,036,768	63,433,802
Accrued Liabilities	37,172,904	11,550,527
Other liabilities	11,195,076	12,606,627
Bank OverDraft	15,626,601	-
	214,031,349	87,590,956

20 CONTINGENCY AND COMMITMENTS

Contingencies

- 20.1 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 The company has received a notice from sindh revenue board (SRB) under section 23(2) of the Act, 2011 and subsequently order is passed relating to short payment of sales tax and penalty amounting to Rs. 987,546 and Rs. 49,377 respectively. However, the Company has filed an appeal against the order with commissioner of appeals, Sindh Revenue Board. The hearing is due on 1st october 2020 for which management is confident that the judgement will be passed in favour of the company. Accordingly, no provision is made in the financials.

20.3 Commitments

For purchase of shares

727,792,478

196,691,934

For sale of shares

710,111,585

187,124,492

Note

(Un-audited)	(Un-audited)
First quarter ended September 30, 2020	First quarter ended September 30, 2019

----- Rupees -----

21 OPERATING REVENUE

Brokerage income

71,718,520

8,728,467

71,718,520

8,728,467

Note

(Un-audited)	(Un-audited)
First quarter ended September 30, 2020	First quarter ended September 30, 2019

----- Rupees -----

22 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances

12,479,626

9,838,709

Commission and Clearing house charges

35,709,992

304,440

Communication expenses

468,872

361,444

Printing and stationery

359,025

329,572

Entertainment expense

476,018

189,550

Traveling & Lodging expense

255,086

254,099

Repair and maintenance

718,647

580,421

Electricity and utilities

486,991

464,449

Insurance

-

41,143

Depreciation

468,931

445,397

Amortization on Right of Use Assets

728,927

Internet and software maintenance charges

543,435

528,497

Legal and professional charges

127,995

162,500

Fees and subscriptions

775,213

664,461

Rent, rates and taxes

113,435

1,021,396

Miscellaneous expense

513,096

345,765

54,225,289

15,531,843

23 FINANCE COST

Bank charges
Finance Charges

Note

(Un-audited) First quarter ended September 30, 2020	(Un-audited) First quarter ended September 30, 2019
----- Rupees -----	
48,902	9,560
667,754	-
<u>716,656</u>	<u>9,560</u>

24 OTHER CHARGES

Provision for doubtful debts

-	-
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25 OTHER INCOME - Net

Income from financial assets

- Interest on saving account
- Interest income on exposure deposited
- Interest income on Margin Financing
- Reversal of provision for doubtful debts

389,482	866,961
1,019,983	424,814
3,126,869	-
589,995	6,681,718
5,126,329	7,973,493

Income from other than financial assets

- Gain / (loss) on sale of fixed assets
- Other

-	-
5,922,079	1,487,292
<u>11,048,408</u>	<u>9,460,785</u>

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company, key management employees and staff retirement benefits. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on October 26, 2020.

28 GENERAL

Figures have been rounded off to the nearest rupee.


Chief Executive


Director


Chief Financial Officer