



**THIRD-QUARTERLY REPORT**  
**Period Ended March 31, 2021**

**Trust Securities & Brokerage Limited**

## COMPANY INFORMATION

### Board of Directors:

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

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

### Chief Financial Officer

Muhammad Ahmed

### Company Secretary

Syed Maqsood Ahmad

### Audit Committee:

Mr. 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
Mr. 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

### Legal Consultant:

Haider Waheed Partners

### 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, 4<sup>th</sup> 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 Lahore:

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

### Branch Office Karachi:

2<sup>nd</sup> Floor, 202-203 & 725, PSX Building  
Stock Exchange Road, Karachi, Pakistan  
Tel: (92-21) 32460161-7, Fax: (92-21) 32467660

### Branch Office LSE Plaza, Lahore:

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

### PMEX Branch Office – Tando Allahyar, Sindh

Tando Allahyar, Sindh  
Village Hari Bahgat Ram, Tando Allahyar, Sindh

### PMEX Branch Office – DHA, Karachi

Mezzanine No. 2, Mezzanine Floor, Plot No. 550-C,  
11<sup>th</sup> Commercial Street, DHA, Phase-II Ext., Karachi

# DIRECTORS' REPORT

For Nine Months Ended 31<sup>st</sup> March, 2021

## DEAR SHAREHOLDERS,

The directors are pleased to present the Un-Audited Financial Statements of the Company for the nine month ended 31<sup>st</sup> March 2021 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' 2021	March 31' 2020
Revenue	221,344,340	71,013,128
Operating Profit/Loss	35,728,943	2,454,225
Profit/Loss before Taxation	71,985,176	28,317,797
Profit/Loss after Taxation	57,410,529	23,634,550

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

The company earned a net profit of Rs. 57.410 Million for the Nine Months ended 2021 against a net profit of Rs. 23.634 Million in the previous corresponding period i.e. March 31' 2020. .

The earning per share (EPS) for the nine months ended March 31, 2021 is 1.91 which is state contrast to the on-going market performance and hard work compared to previous years.

The primary factors resulting in increased revenues were brisk activity in the number of daily trades as well as for the revenues earned from Pakistan Mercantile Exchange (PMEX). 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 to various sectors and development in the construction sector 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

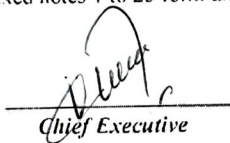
Sd/  
**ZENOBIAS WASIF**  
Chairperson/Director

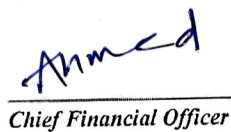
Sd/-  
**MUHAMMAD KHURRAM FARAZ**  
Chief Executive Officer

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT March 31, 2021**

		(Un-Audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
	Note		
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	5	13,030,346	12,989,347
Right of use asset	6	7,996,457	3,337,495
Intangibles	7	6,082,183	6,288,434
Long term investments	8	2,720,000	2,720,000
Long term deposits	9	3,480,200	2,130,000
Deferred taxation	10	7,154,947	9,271,141
		<u>40,464,133</u>	<u>36,736,417</u>
<b>Current Assets</b>			
Short term investments	11	20,071,215	8,852,700
Trade debts	12	115,322,840	53,477,285
Investment in margin financing		60,526,728	46,397,969
Investment in margin trading system - net		2,709,234	-
Advances, deposits, prepayments and other receivables	13	280,114,581	110,493,354
Tax refunds due from government	14	-	4,672,365
Cash and bank balances	15	41,074,175	37,248,528
		<u>519,818,773</u>	<u>261,142,201</u>
<b>Total Assets</b>		<u>560,282,906</u>	<u>297,878,618</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (2020 : 75,000,000) Ordinary shares		750,000,000	750,000,000
Ordinary shares) of Rs. 10 each			
<b>Issued, subscribed and paid-up capital</b>	16	300,000,000	300,000,000
<b>Reserves</b>			
Accumulated losses		(37,458,553)	(94,869,084)
<b>Shareholders' Equity</b>		<u>262,541,447</u>	<u>205,130,916</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	17	5,232,495	-
<b>Current Liabilities</b>			
Current portion of lease liabilities	17	2,907,511	3,520,273
Short term borrowing	18	56,342,007	-
Trade and other payables	19	227,966,719	89,227,429
Tax payable	20	5,292,727	-
		<u>292,508,964</u>	<u>92,747,702</u>
<b>Contingency and Commitment</b>	21		
<b>Total Equity and Liabilities</b>		<u>560,282,906</u>	<u>297,878,618</u>

The annexed notes 1 to 23 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

		<i>Nine months ended</i>		<i>3rd quarter ended</i>	
		<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
<i>Note</i>		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>----- Rupees -----</i>			
Operating revenue	22	221,344,340	71,013,128	89,459,616	30,243,755
Gain/(Loss) on sale of short term investments		8,499,612	12,581,560	(478,188)	804,699
Gain/(Loss) on remeasurement of investment - at FVTPL		746,685	(5,627,802)	1,035,346	(4,988,992)
		230,590,637	77,966,886	90,016,773	26,059,463
Operating and administrative expenses	23	(192,226,107)	(73,928,551)	(77,739,854)	(31,108,554)
Finance cost		(2,635,587)	(1,584,110)	(1,342,549)	(213,387)
		(194,861,694)	(75,512,661)	(79,082,403)	(31,321,940)
Operating profit/loss		35,728,943	2,454,225	10,934,370	(5,262,477)
Other income	24	36,256,233	25,863,573	13,862,470	7,308,556
Profit before taxation		71,985,176	28,317,797	24,796,840	2,046,079
Taxation		(14,574,647)	(4,683,247)	(4,450,915)	(345,357)
Profit after taxation		57,410,529	23,634,550	20,345,926	1,700,722
Earning per share - basic and diluted		1.91	0.79	0.68	0.06

The annexed notes 1 to 23 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>71,985,176</b>	28,317,797
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	1,213,661	3,875,955
Amortization on right of use assets	4,116,135	-
Amortization	206,251	206,250
Interest expense on lease liabilities	610,839.00	-
Provision for doubtful debts	-	802,499
Interest income on exposure deposited	(4,703,931)	(5,999,364)
Profit on margin financing	(8,903,928)	-
MTS markup	(2,820,603)	-
Finance cost	(2,024,748)	1,584,110
Dividend income	(590,783)	(988,680)
Reversal of provision for doubtful debts	(673,931.00)	(6,681,718)
Capital gain on sale of investment	(8,499,612)	(12,581,560)
Capital gain on sale of fixed assets	-	(876)
Unrealised loss on remeasurement of investment	(746,685)	5,627,802
	<u>(22,817,335)</u>	<u>(14,155,582)</u>
	<b>49,167,841</b>	14,162,215
<b>Changes in Working Capital:</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	(61,171,624)	(63,166,669)
Investment in margin financing	(14,128,759)	1,919,109
Investment in margin trading system - net	(2,709,234)	4,645,103
Advances, deposits, prepayments and other receivables	(167,992,606)	(5,206,273)
	<u>(246,002,223)</u>	<u>(61,808,729)</u>
<b>Increase in current liabilities</b>		
Trade and other payables	138,739,290	33,003,787
<b>Cash used in operations</b>	<u>(58,095,092)</u>	<u>(14,642,727)</u>
Taxes - net	(2,493,360)	7,911,952
Finance cost paid	2,024,748	(1,584,110)
Long term deposits - net	(1,350,200)	15,149
<b>Net cash used in operating activities</b>	<u>(59,913,905)</u>	<u>(8,299,736)</u>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of fixed assets	(1,254,660)	(389,523)
	0	0
Capital work in progress	-	(250,000)
Interest income received	14,799,841	5,999,364
Dividend income received	590,783	988,680
Investments - net	(1,972,218)	(9,854,929)
<b>Net cash generated from investing activities</b>	<b>12,163,746</b>	<b>(3,506,408)</b>

	2021	2020
Note	Rupees	Rupees

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Receipt of short term borrowing	56,342,007	-
Repayment of lease liabilities	(4,766,201)	(1,571,232)
<b>Net cash generated from financing activities</b>	<b>51,575,806</b>	<b>(1,571,232)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,825,647</b>	<b>(13,377,376)</b>
Cash and cash equivalents at beginning of the period	37,248,528	85,333,827
Cash and cash equivalents at end of the period	41,074,175	71,956,451

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The annexed notes 1 to 23 form an integral part of these financial statements

  
 Chief Executive

  
 Chief Financial Officer


  
 Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	<i>Nine months ended</i>		<i>3rd Quarter ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>----- Rupees -----</i>			
<b>Profit for the period</b>	<b>57,410,529</b>	<b>23,634,550</b>	<b>20,345,926</b>	<b>1,700,722</b>
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>57,410,529</b>	<b>23,634,550</b>	<b>20,345,926</b>	<b>1,700,722</b>

The annexed notes 1 to 23 form an integral part of these financial statements

  
 Chief Executive

  
 Chief Financial Officer

  
 Director



**TRUST SECURITIES AND BROKERAGE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	<i>Share Capital</i>	<i>Revenue Reserves</i> <i>Accumulated losses</i>	<i>Shareholders</i> <i>Equity</i>
	<i>----- Rupees -----</i>		
Balance as at July 1, 2019	300,000,000	(129,759,698)	170,240,302
Profit for the period ended March 31, 2020	-	23,634,550	23,634,550
Balance as at March 31, 2020	<b>300,000,000</b>	<b>(106,125,148)</b>	<b>193,874,852</b>
Balance as at July 1, 2020	300,000,000	(94,869,082)	205,130,918
Profit for the period ended March 31, 2021	-	57,410,529	57,410,529
Balance as at March 31, 2021	<b>300,000,000</b>	<b>(37,458,553)</b>	<b>262,541,447</b>

The annexed notes 1 to 23 form an integral part of these financial statements

  
Chief Executive

  
Chief Financial Officer

  
Director

**TRUST SECURITIES AND BROKERAGE LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021**

**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. Chundrigar 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.

Office No. 725, 7th Floor, PSX New Building, Stock Exchange Road, Karachi.

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, 2020.

**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.

## **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, 2020.

## **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, 2020.

	<i>Note</i>	<i>(Un-Audited)</i> <b>March 31,</b> <b>2021</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b> <b>Rupees</b>
<b>5 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>13,030,346</b>	12,989,347
Capital work in progress		-	-
		<b>13,030,346</b>	12,989,347

#### 5.1 Operating fixed assets

Opening written down value		<b>12,989,347</b>	13,395,292
Addition during the period	5.2	<b>1,254,660</b>	1,170,106
Disposals during the period		-	(14,000)
Depreciation charge on disposal		-	11,476
Depreciation charge for the period		<b>(1,213,661)</b>	(1,573,527)
		<b>13,030,346</b>	12,989,347

5.2 Details of additions to and disposals of operating fixed assets during period/year are as follows:

	<i>Additions</i> <i>(at cost)</i>		<i>Disposals</i> <i>(at net book value)</i>	
	<i>March 31,</i> <i>2021</i>	<i>June 30,</i> <i>2020</i>	<i>March 31,</i> <i>2020</i>	<i>June 30,</i> <i>2020</i>
	<b>-----Rupees-----</b>			
Computers	<b>340,572</b>	640,206	-	-
Furniture and fittings	<b>508,043</b>	362,500	-	(2,524)
Vehicles	<b>241,710</b>	-	-	-
Office equipment	<b>164,335</b>	167,400	-	-
	<b>1,254,660</b>	1,170,106	-	(2,524)

	<i>(Un-Audited)</i> <b>March 31,</b> <b>2021</b> <b>Rupees</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b> <b>Rupees</b>
<b>6 RIGHT-OF-USE ASSETS</b>		
Opening balance	<b>3,337,495</b>	6,949,838
Addition during the period	<b>8,775,097</b>	-
Disposals during the period	-	-
Depreciation expense	<b>(4,116,135)</b>	(3,612,342)
Closing balance	<b>7,996,457</b>	3,337,495

		(Un-Audited) March 2021 Rupees	(Audited) June 30, 2020 Rupees
<b>7</b>	<b>INTANGIBLES</b>		
	<b>Trading Rights Entitlement Certificate - (TREC)</b>		
	Pakistan Stock Exchange Limited - (PSX)	7.1&7.2	1,280,000
	<b>Offices</b>		
	LSE Financial Services Limited - (LFSL)	7.3	262,600
	<b>Pakistan Mercantile Exchange Limited - (PMEX) membership</b>		
	Pakistan Mercantile Exchange Limited - (PMEX)		2,500,000
	<b>Software</b>	7.4	2,245,834
		<b>6,082,183</b>	<b>6,288,434</b>

**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.

	(Un-Audited) March 2021 Rupees	(Audited) June 30, 2020 Rupees
<b>7.4 Software</b>		
Opening net book value	2,245,834	2,520,834
Additions	-	-
Amortization charge	(206,251)	(275,000)
<b>Closing net book value</b>	<b>2,039,583</b>	<b>2,245,834</b>
Cost	2,750,000	2,750,000
Accumulated amortization	(710,417)	(504,166)
<b>Net book value</b>	<b>2,039,583</b>	<b>2,245,834</b>
<b>Amortization rate</b>	<b>10%</b>	<b>10%</b>

## 8 LONG TERM INVESTMENTS

### *Fair Value thorough - OCI* *In shares of Un-quoted company*

<i>March 31</i> <i>2020</i>	<i>June 30,</i> <i>2020</i>	<i>Name of securities</i>	<i>Note</i>	<i>Carrying Value</i>	
				<i>(Un-Audited)</i> <i>March 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
843,975	843,975	LSE Financial Services	8.1	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.

The net asset value of shares of LSE financial service limited is Rs. 23.63 per share This is based on un-audited financial statements for the year ended September 30, 2020.

	<i>Note</i>	<i>(Un-Audited)</i> <i>March 31,</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
National Clearing Company of Pakistan Limited - (NCCPL)		1,400,000	1,400,000
Central Depository Company of Pakistan Limited - (CDC)		100,000	100,000
Pakistan Mercantile Exchange Limited - (PMEX)		500,000	500,000
Utility deposits		250,500	130,000
Lease deposit		1,229,700	-
		<b>3,480,200</b>	<b>2,130,000</b>

## 10 DEFERRED TAXATION

Deferred tax asset is net off of deductible / (taxable) temporary differences in respect of the following:-

	<i>Note</i>	<i>(Un-Audited)</i> <i>March</i> <i>2021</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
<b>Deductible temporary differences</b>			
Provision for doubtful debts		3,142,722	3,338,162
Assessed tax losses		-	2,126,113
Lease liability		2,360,602	1,020,879
Minimum tax		2,195,250	2,195,250
Alternative Corporate Tax		2,664,752	2,664,752
Capital gain		52,797	52,797
Unrealized loss on investments		(112,003)	-
		<b>10,304,120</b>	<b>11,397,953</b>
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		(3,149,173)	(1,870,127)
Unrealized gain on investments		-	(256,685)
		<b>(3,149,173)</b>	<b>(2,126,812)</b>
		<b>7,154,947</b>	<b>9,271,141</b>

## 11 SHORT TERM INVESTMENTS

*At fair value through profit or loss*

In shares of quoted company

20,041,215

8,822,700

In shares of unquoted company

30,000

30,000

20,071,215

8,852,700

(Un-Audited)

(Audited)

March 31,

June 30,

2021

2020

Note

Rupees

Rupees

## 12 TRADE DEBTS

Considered good

115,322,840

53,477,285

Considered doubtful

10,836,972

11,510,903

126,159,812

64,988,188

Provision for doubtful debts

12.3 & 12.4

(10,836,972)

(11,510,903)

115,322,840

53,477,285

**12.1** The total value of securities pertaining to clients are Rs. 920.271 million (June 2020: Rs. 426.647 million) held in sub-accounts of the company. Securities pledged by client to the financial institutions amounting to Rs.185.961 million (June 2020: Rs. 7.85 million).

(Un-Audited)

As on March 31, 2021

Amount

Custody value

Note

-----Rupees-----

### 12.2 Aging analysis

The aging analysis of trade debts is as follows:

Upto fourteen days

109,230,144

914,178,441

More than fourteen days

12.2.1

16,929,668

6,092,696

126,159,812

920,271,137

(Audited)

As on June 30, 2020

Amount

Custody value

-----Rupees-----

Upto fourteen days

45,270,262

418,440,435

More than fourteen days

19,717,926

8,207,023

64,988,188

426,647,458

**12.2.1** Adequate provision of Rs. 10.837 million (June 2020: Rs.11.511 million) has been provided in respect of amount due from customers.

**12.3** The legal suit for recovery of trade debts having a book value of Rs. 2.4 million are pending with the District Court. In spite of legal proceedings, the adequate provision is made in these financial statements as a matter of prudence.

		(Un-Audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
<b>12.4 Provision for doubtful debts</b>			
Balance as on July 01		11,510,903	60,468,781
Provision made during the period / year		-	1,215,871
		11,510,903	61,684,652
Reversal of excess provision		(673,931)	(43,492,031)
Receivables written-off against provision		-	(6,681,718)
		10,836,972	11,510,903

**13 ADVANCES, DEPOSITS, PREPAYMENTS  
AND OTHER RECEIVABLES**  
- Considered good

**Advances**

Advance to staff		3,610,586	3,639,186
Advance for office maintenance		666,879	229,900
		4,277,465	3,869,086

**Deposits**

Deposit against exposure margin	13.1	122,862,987	70,700,000
Deposits against margin trading system	13.2	144,414,640	31,170,982
		267,277,627	101,870,982

**Prepayments**

Short term prepayments		-	80,000
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**Other receivables**

Other receivables		25,000	25,000
PMEX Clearing House		1,893,592	1,723,354
PSX Clearing House Valuation Debit		1,542,180	
Markup receivable against leverage products		2,832,050	1,248,163
Bank profit receivable		44,734	-
Advance tax		-	802,497
Retained profit future contract		2,221,933	874,272
		8,559,489	4,673,286
		280,114,581	110,493,354

**13.1** This represents deposits with NCCPL against exposure margin in respect of future and ready counter.

**13.2** This represents deposits with NCCPL against the exposure margin against trade and sustained losses to date on Margin Trading Services.

		(Un-Audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
<b>14 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Opening tax refund		-	6,911,780
Tax paid during the year		-	2,330,387
		-	9,242,167
Provision for the year		-	(4,433,053)
Prior year		-	(136,749)
		-	4,672,365



## 15 CASH AND BANK BALANCES

Cash in hand		823,565	607,211
<b>Cash at banks</b>			
In current accounts		35,125,884	34,335,181
In saving account	15.1	5,124,726	2,306,136
	15.2	40,250,610	36,641,317
		<b>41,074,175</b>	<b>37,248,528</b>

15.1 Saving account carries markup is 5.5% (June 2020 : 5% to 10.5%) per annum.

### 15.2 Balance pertaining to :

Clients	72,182,038	33,863,484
Brokerage house	1,541,071	2,777,833
	<b>73,723,109</b>	<b>36,641,317</b>

## 16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-Audited) (Audited)  
**March 31,** **June 30,**  
**2021** **2020**  
**Number of Shares**

<b>30,000,000</b>	<b>30,000,000</b>	Ordinary shares of Rs.10 each fully paid in cash	<b>300,000,000</b>	<b>300,000,000</b>
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## 17. LEASE LIABILITIES

Opening	3,520,273	6,949,838
Additions	8,775,096	-
Interest expense	610,839	637,328
Payments	(4,766,202)	(4,066,892)
	4,619,733	(3,429,564)
Closing	<b>8,140,006</b>	<b>3,520,273</b>
Current	2,907,511	3,520,273
Non-current	5,232,495	-
	<b>8,140,006</b>	<b>3,520,273</b>

(Un-Audited) (Audited)  
**March 31,** **June 30,**  
**2021** **2020**  
**Rupees** **Rupees**

Note

## 18 SHORT TERM BORROWING

### - From Banking Company Secured

Running finance	18.1	<b>56,342,007</b>	-
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**18.1** The company had a running finance facility of Rs. 250 million from a banking company to finance daily clearing obligation of Pakistan stock exchange and settlement of client trade. The facility carries markup of 1 month KIBOR + 2.5% per annum to be paid on quarterly basis. The facility is secured against first exclusive charge over shares amounting to Rs. 83.333 million and pledge of shares with a minimum margin of 35% on shares. The facility of Rs. 183.6 million remained unavailed at the end of the period.

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>March 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2020</i>
<i>Rupees</i>	<i>Rupees</i>

## 19 TRADE AND OTHER PAYABLES

Trade creditors	<b>124,579,190</b>	63,433,802
Accrued liabilities	<b>52,583,722</b>	11,550,527
Sindh sales tax payables	<b>4,967,911</b>	1,855,397
Employees compensated absences	<b>1,636,473</b>	1,636,473
Future retained profit of clients	<b>3,813,785</b>	1,360,950
DFC withheld exposure demand from clients	<b>34,728,461</b>	5,000,195
MTM Losses against MF	<b>4,671,477</b>	
Other liabilities	<b>985,700</b>	4,390,085
	<b>227,966,719</b>	89,227,429

## 20 TAX PAYABLE

Opening tax refund	<b>(4,672,365)</b>	-
Tax paid during the period	<b>(2,869,551)</b>	-
	<b>(7,541,916)</b>	-
Refund received during the period	<b>376,191</b>	-
Provision for the period	<b>12,458,453</b>	-
Tax payable	<b>5,292,727</b>	-

## 21 CONTINGENCY AND COMMITMENT

### 21.1 Contingencies

As at 31 March 2021, there is no material changes in the status of matters reported as contingencies in the notes to financial statements of the company for the year ended 30 June 2020.

### 21.2 Commitment

Commitment against unrecorded transactions executed before the year end having settlement date subsequent to period end: -

<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>March 31,</i>	<i>June 30,</i>
<i>2021</i>	<i>2020</i>
<i>Rupees</i>	<i>Rupees</i>

For purchase of shares	<b>1,016,090,584</b>	196,691,934
For sale of shares	<b>1,022,653,767</b>	187,124,492

<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
<i>Nine months ended</i>		<i>3rd Quarter ended</i>	
<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<i>----- Rupees -----</i>			

## 22 OPERATING REVENUE

Brokerage income from PSX	<b>211,557,813</b>	70,024,448	<b>85,475,641</b>	30,243,755
Brokerage income from PMEX	<b>9,195,744</b>	-	<b>3,983,975</b>	-
Dividend income	<b>590,783</b>	988,680	-	-
	<b>221,344,340</b>	71,013,128	<b>89,459,616</b>	30,243,755

<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
<i>Nine months ended</i>		<i>3rd Quarter ended</i>	
<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<i>----- Rupees -----</i>			

Note

## 23 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances	<b>36,175,203</b>	53,185,762	<b>12,311,131</b>	23,310,145
Commission and clearing house expense	<b>134,930,415</b>	4,287,741	<b>57,889,210</b>	1,935,014
Communication expenses	<b>1,359,763</b>	1,108,866	<b>425,537</b>	377,325
Printing and stationary	<b>1,060,500</b>	884,722	<b>286,800</b>	430,769
Entertainment expenses	<b>1,852,528</b>	757,733	<b>724,232</b>	317,437
Travelling and lodging expenses	<b>610,637</b>	718,217	<b>174,868</b>	264,990
Repairs and maintenance	<b>1,914,583</b>	1,319,872	<b>661,718</b>	397,043
Advertisement and publicity	<b>4,480</b>	430,500	<b>0</b>	312,970
Electricity and utilities	<b>1,510,410</b>	1,305,572	<b>453,692</b>	291,158
Insurance expenses	<b>164,235</b>	41,143	<b>38,053</b>	-
Depreciation on owned assets	<b>1,213,661</b>	3,875,955	<b>398,565</b>	1,381,509
Amortization on right of use assets	<b>4,116,135</b>	-	<b>1,576,465</b>	0
Amortization	<b>206,251</b>	206,250	<b>68,750</b>	68,750.00
Internet and software maintenance charges	<b>2,024,864</b>	1,651,205	<b>902,532</b>	536,211
Legal and professional charges	<b>270,025</b>	360,500	<b>0</b>	34,000
Fees and subscription	<b>2,643,546</b>	1,633,733	<b>1,101,372</b>	444,631
Rent, rates and taxes	<b>397,339</b>	208,962	<b>70,246</b>	36,793
Auditors remuneration	<b>260,000</b>	353,842	<b>0</b>	43,369
Donation and charity	<b>51,800</b>	27,000	<b>40,000</b>	2,000
Bad debts expense	-	832,499	-	614,799
Miscellaneous expenses	<b>1,459,732</b>	738,476	<b>616,683</b>	309,640
	<b>192,226,107</b>	73,928,551	<b>77,739,854</b>	31,108,554

<i>(Un-Audited)</i>		<i>(Un-Audited)</i>	
<i>Nine months ended</i>		<i>3rd Quarter ended</i>	
<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<i>----- Rupees -----</i>			

24 **OTHER INCOME - Net**

<b>Income from financial assets</b>				
Interest on saving account	657,184	2,500,570	82,937	223,412
Interest income on exposure deposited	4,046,747	3,498,794	1,624,635	1,480,100
Profit on margin financing	8,903,928		2,785,414	
MTS markup	2,820,603		1,235,112	
Reversal of provision for doubtful debts	702,992	6,681,718	74,579	
	<u>17,131,454</u>	<u>12,681,082</u>	<u>5,802,677</u>	<u>1,703,512</u>

**Income from other than financial assets**

Gain on sale of fixed assets	-	876	-	876
Others	<u>19,124,779</u>	<u>13,181,615</u>	<u>8,059,793</u>	<u>5,604,168</u>
	19,124,779	13,182,491	8,059,793	5,605,044
	<u>36,256,233</u>	<u>25,863,573</u>	<u>13,862,470</u>	<u>7,308,556</u>

25 **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.

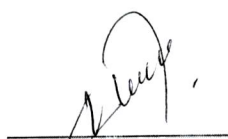
26 **DATE OF AUTHORIZATION OF ISSUE**

**28 APR 2021**

These financial statements were authorized for issue by the Board of Directors of the Company on \_\_\_\_\_.

27 **GENERAL**

Figures have been rounded off to the nearest rupee.

  
Chief Executive

  
Chief Financial Officer

  
Director