



HALF-YEARLY REPORT
Period Ended December 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
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, 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 Lahore:

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

Branch Office Karachi:

2nd 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, 6th Floor, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: (92-42) 36300181, 36300554, 36373045, 36374710

Branch Office Tando Allahyar, Sindh (for PMEX)

Village Hari Bahgat Ram, Tando Allahyar, Sindh

DIRECTORS' REVIEW

DEAR SHAREHOLDERS,

The Board of Directors are pleased to present the Half-Yearly Financial Statements of the Company for the period ended December 31, 2020 together with the Directors' report thereon as per accounting, regulatory and legal requirements.

Following is the summary of the Company's financial performance during the six month:

	December 31' 2020	December 31' 2019
Revenue	131,884,724	40,769,374
Operating Profit	24,794,369	7,716,696
Profit Before Taxation	47,188,133	26,271,713
Profit After Taxation	37,064,401	21,933,823

We are pleased to announce the Company's financial results for 6 months ended has seen a jump in revenue hence achieving a net profit and positive EPS.

The company earned a net profit of Rs. 37.064 million for the Half year ended December 31, 2020 against a net profit of Rs. 21.933 million in the previous corresponding period i.e. December 31, 2019.

The earning per share for the six months ended December 31, 2020 was 1.24 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/-

ABDUL BASIT
Chief Executive Officer

Karachi. February 17, 2021

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim financial position of **Trust Securities & Brokerage Limited** as at December 31, 2020, the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the 'Interim Financial Statements'). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our reviews.

The figures included in the condensed interim profit or loss account for the quarters ended December 31, 2020 and 2019 and the notes thereto have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Yameen.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 17 FEB 2021

TRUST SECURITIES AND BROKERAGE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
	Note		
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	13,138,303	12,989,347
Right of use asset	6	8,582,604	3,337,495
Intangibles	7	6,150,934	6,288,434
Long term investments		2,720,000	2,720,000
Long term deposits	8	3,359,700	2,130,000
Deferred taxation	9	7,443,588	9,271,141
		41,395,129	36,736,417
Current Assets			
Short term investments	10	7,235,320	8,852,700
Trade debts	11	75,065,066	53,477,285
Investment in margin financing		57,019,292	46,397,969
Advances, deposits, prepayments and other receivables	12	280,274,550	110,493,354
Tax refunds due from government	13	-	4,672,365
Cash and bank balances	14	74,097,216	37,248,528
		493,691,444	261,142,201
Total Assets		535,086,573	297,878,618
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
75,000,000 (2020 : 75,000,000) Ordinary shares Ordinary shares) of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		300,000,000	300,000,000
Reserves			
Accumulated losses		(57,804,681)	(94,869,084)
Shareholders' Equity		242,195,319	205,130,916
Non-Current Liabilities			
Lease liabilities	15	5,292,378	-
Current Liabilities			
Current portion of lease liabilities	15	3,352,452	3,520,273
Short term borrowing	16	51,096,336	-
Trade and other payables	17	230,417,762	89,227,429
Tax payable	18	2,732,326	-
		287,598,876	92,747,702
Contingency and Commitment	19		
Total Equity and Liabilities		535,086,573	297,878,618

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 SIX MONTHS ENDED DECEMBER 31, 2020

	Note	Half year ended		2nd quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees -----					
Operating revenue	20	131,884,724	40,769,374	60,166,204	32,040,907
Gain on sale of short term investments		8,977,800	11,776,860	5,074,287	11,776,860
(Loss) / gain on remeasurement of - at FVTPL		(288,661)	(638,810)	(323,610)	3,549,105
		<u>140,573,863</u>	<u>51,907,424</u>	<u>64,916,881</u>	<u>47,366,872</u>
Operating and administrative expenses		(114,486,455)	(42,820,005)	(60,261,166)	(26,534,165)
Finance cost		(1,293,039)	(1,370,723)	(578,862)	(1,361,163)
		<u>(115,779,494)</u>	<u>(44,190,728)</u>	<u>(60,840,028)</u>	<u>(27,895,328)</u>
Operating profit		24,794,369	7,716,696	4,076,853	19,471,544
Other income		22,393,764	18,555,017	11,345,350	8,340,235
Profit before taxation		47,188,133	26,271,713	15,422,203	27,811,779
Taxation		(10,123,732)	(4,337,890)	(4,802,471)	(4,337,890)
Profit after taxation		37,064,401	21,933,823	10,619,732	23,473,889
Earning per share - basic and diluted		1.24	0.73	0.35	0.78

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 SIX MONTHS ENDED DECEMBER 31, 2020

	<i>Half year ended</i>		<i>2nd Quarter ended</i>	
	<i>December 31, 2020</i>	<i>December 31, 2019</i>	<i>December 31, 2020</i>	<i>December 31, 2019</i>
----- <i>Rupees</i> -----				
Profit for the period	37,064,401	21,933,823	10,619,732	23,473,889
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	37,064,401	21,933,823	10,619,732	23,473,889

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 SIX MONTHS ENDED DECEMBER 31, 2020

	<i>Share Capital</i>	<i>Revenue Reserves Accumulated losses</i>	<i>Shareholders Equity</i>
	----- Rupees -----		
Balance as at July 1, 2019	300,000,000	(129,759,698)	170,240,302
Profit for the period ended December 31, 2019	-	21,933,823	21,933,823
Balance as at December 31, 2019 (Un-Audited)	300,000,000	(107,825,875)	192,174,125
Balance as at July 1, 2020	300,000,000	(94,869,082)	205,130,918
Profit for the period ended December 31, 2020	-	37,064,401	37,064,401
Balance as at December 31, 2020 (Un-Audited)	300,000,000	(57,804,681)	242,195,319

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 SIX MONTHS ENDED DECEMBER 31, 2020

(Un-audited) (Un-audited)
December 31, December 31,
2020 2019

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	47,188,133	26,271,713
Adjustment for non-cash charges and other items		
Depreciation	815,096	2,494,446
Interest on saving account	(574,247)	-
Amortization on right of use assets	2,539,670	-
Amortization	137,500	137,500
Interest expense on lease liabilities	388,481	-
Provision for doubtful debts	-	217,700
Interest income on exposure deposited	(2,012,097)	(4,295,851)
Profit on margin financing	(6,118,514)	-
MTS markup	(1,585,491)	-
Finance cost	1,293,039	1,370,723
Dividend income	(590,783)	(988,680)
Reversal of provision for doubtful debts	(616,872)	(6,681,718)
Capital gain on sale of investment	(8,977,800)	(11,776,860)
Unrealised loss on remeasurement of investment	288,661	638,810
	(15,013,357)	(18,883,930)
	32,174,776	7,387,783
Changes in Working Capital:		
(Increase) / decrease in current assets		
Trade debts	(20,970,909)	(6,611,280)
Investment in margin financing	(10,621,323)	(41,088,466)
Investment in margin trading system - net	-	5,100,203
Advances, deposits, prepayments and other receivables	(168,602,253)	(59,793,400)
	(200,194,485)	(102,392,943)
Increase in current liabilities		
Trade and other payables	141,190,333	826,914
Cash used in operations	(26,829,376)	(94,178,246)
Taxes paid	(891,488)	(938,109)
Finance cost paid	(1,293,039)	(1,370,723)
Long term deposits - net	(1,229,700)	15,149
Net cash used in operating activities	(30,243,603)	(96,471,929)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(964,052)	(183,111)
Capital work in progress	-	(50,000)
Interest income received	9,111,406	4,295,851
Dividend income received	590,783	988,680
Investments - net	10,306,521	9,530,611
Net cash generated from investing activities	19,044,658	14,582,031

	2020	2019
Note	Rupees	Rupees


C. CASH FLOWS FROM FINANCING ACTIVITIES

Receipt of short term borrowing	51,096,336	4,621,307
Repayment of lease liabilities	<u>(3,048,703)</u>	<u>(1,056,026)</u>
Net cash generated from financing activities	<u>48,047,633</u>	<u>3,565,281</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	36,848,688	(78,324,617)
Cash and cash equivalents at beginning of the period	<u>37,248,528</u>	<u>85,333,827</u>
Cash and cash equivalents at end of the period	14 <u>74,097,216</u>	<u>7,009,210</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
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 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. 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.

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 account and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 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, 2020 and December 31, 2019.

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> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
5 PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	13,138,303	12,989,347
Capital work in progress	5.2	-	-
		<u>13,138,303</u>	<u>12,989,347</u>

5.1 Operating fixed assets

Opening written down value		12,989,347	13,395,292
Addition during the period	5.3	964,052	1,170,106
Disposals during the period		-	(14,000)
Depreciation charge on disposal		-	11,476
Depreciation charge for the period		(815,096)	(1,573,527)
		<u>13,138,303</u>	<u>12,989,347</u>

5.2 Capital work in progress

Opening balance		-	80,000
Addition during the period/year		-	250,000
Transferred to fixed assets		-	(330,000)
Closing balance		-	-

5.3 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>December 31,</i> <i>2020</i>	<i>June 30,</i> <i>2020</i>	<i>December 31,</i> <i>2020</i>	<i>June 30,</i> <i>2020</i>
	----- <i>Rupees</i> -----			
Computers	107,174	640,206	-	-
Furniture and fittings	508,043	362,500	-	(2,524)
Vehicles	184,500	-	-	-
Office equipment	164,335	167,400	-	-
	<u>964,052</u>	<u>1,170,106</u>	<u>-</u>	<u>(2,524)</u>

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
6 RIGHT-OF-USE ASSETS		
Opening balance	3,337,495	6,949,838
Addition during the period	7,784,779	-
Depreciation expense	(2,539,670)	(3,612,342)
Closing balance	<u>8,582,604</u>	<u>3,337,495</u>

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
7 INTANGIBLES			
Trading Rights Entitlement Certificate - (TREC)			
Pakistan Stock Exchange Limited - (PSX)	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 - (PMEX) membership			
Pakistan Mercantile Exchange Limited - (PMEX)		2,500,000	2,500,000
Software	7.4	2,108,334	2,245,834
		6,150,934	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.

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
7.4 Software		
Opening net book value	2,245,834	2,520,834
Additions	-	-
Amortization charge	(137,500)	(275,000)
Closing net book value	2,108,334	2,245,834
Cost	2,750,000	2,750,000
Accumulated amortization	(641,666)	(504,166)
Net book value	2,108,334	2,245,834
Amortization rate	10%	10%

8 LONG TERM DEPOSITS

- Unsecured - Considered good

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	130,000	130,000
Lease deposit	1,229,700	-
	3,359,700	2,130,000

9 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>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
Deductible temporary differences			
Provision for doubtful debts		3,159,269	3,338,162
Assessed tax losses		239,038	2,126,113
Lease liability		2,507,001	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		43,299	-
		<u>10,861,406</u>	<u>11,397,953</u>
Taxable temporary differences			
Accelerated tax depreciation		<u>(3,417,818)</u>	<u>(1,870,127)</u>
Unrealized gain on investments		-	(256,685)
		<u>(3,417,818)</u>	<u>(2,126,812)</u>
		<u>7,443,588</u>	<u>9,271,141</u>

10 SHORT TERM INVESTMENTS

At fair value through profit or loss

In shares of quoted company		7,205,320	8,822,700
In shares of unquoted company		30,000	30,000
		<u>7,235,320</u>	<u>8,852,700</u>

11 TRADE DEBTS

Considered good		75,065,066	53,477,285
Considered doubtful		10,894,031	11,510,903
		<u>85,959,097</u>	<u>64,988,188</u>
Provision for doubtful debts	11.3 & 11.4	<u>(10,894,031)</u>	<u>(11,510,903)</u>
		<u>75,065,066</u>	<u>53,477,285</u>

11.1 The total value of securities pertaining to clients are Rs. 585.229 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. 42.317 million (June 2020: Rs. 7.85 million).

11.2 Aging analysis

The aging analysis of trade debts is as follows:

	<i>Note</i>	<i>(Un-Audited)</i> <i>As on December 31, 2020</i>	
		<i>Amount</i>	<i>Custody value</i>
		<i>-----Rupees-----</i>	
Upto fourteen days		72,198,620	582,362,683
More than fourteen days	11.2.1	13,760,477	2,866,446
		<u>85,959,097</u>	<u>585,229,129</u>

	(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
	<u>64,988,188</u>	<u>426,647,458</u>

11.2.1 Adequate provision of Rs. 10.894 million (June 2020: Rs.11.511 million) has been provided in respect of amount due from customers.

11.3 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)	(Audited)
	December 31,	June 30,
	2020	2020
	Rupees	
Note	Rupees	Rupees
11.4 Provision for doubtful debts		
Balance as on July 01	11,510,903	60,468,781
Provision made during the period / year	-	1,215,871
	<u>11,510,903</u>	<u>61,684,652</u>
Reversal of excess provision	(616,872)	(43,492,031)
Receivables written-off against provision	-	(6,681,718)
	<u>10,894,031</u>	<u>11,510,903</u>

12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

- Considered good

Advances

Advance to staff		3,481,436	3,639,186
Advance for office maintenance		229,900	229,900
		<u>3,711,336</u>	<u>3,869,086</u>

Deposits

Deposit against exposure margin	12.1	151,662,072	70,700,000
Deposits against margin trading system	12.2	114,381,595	31,170,982
		<u>266,043,667</u>	<u>101,870,982</u>

Prepayments

Short term prepayments		80,000	80,000
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Other receivables

Other receivables		103,631	25,000
PMEX Clearing House		1,097,289	1,723,354
Markup receivable against leverage products		2,427,106	1,248,163
Bank profit receivable		5,295	-
Capital gain tax receivable		-	802,497
Retained profit future contract		6,806,226	874,272
		<u>10,439,547</u>	<u>4,673,286</u>
		<u>280,274,550</u>	<u>110,493,354</u>

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

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

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
13 TAX REFUNDS DUE FROM GOVERNMENT			
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

14 CASH AND BANK BALANCES

Cash in hand		374,107	607,211
Cash at banks			
In current accounts		71,608,884	34,335,181
In saving account	14.1	2,114,225	2,306,136
	14.2	73,723,109	36,641,317
		74,097,216	37,248,528

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

14.2 Balance pertaining to :

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

15. LEASE LIABILITIES

Opening		3,520,273	6,949,838
Additions		7,784,779	-
Interest expense		388,481	637,328
Payments		(3,048,703)	(4,066,892)
		5,124,557	(3,429,564)
Closing		8,644,830	3,520,273
Current		3,352,452	3,520,273
Non-current		5,292,378	-
		8,644,830	3,520,273

15.1 The rate of return on lease liabilities ranges from 7.57 % to 13.44 % (June 2020: 13.44%) per annum.

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
16 SHORT TERM BORROWING			
- From Banking Company			
Secured			
Running finance	16.1	<u>51,096,336</u>	<u>-</u>

16.1 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. 198.9 million remained unavailed at the end of the period.

		<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
17 TRADE AND OTHER PAYABLES			
Trade creditors		176,357,534	63,433,802
Accrued liabilities		19,883,755	11,550,527
Sindh sales tax payables		4,313,284	1,855,397
Employees compensated absences		1,636,473	1,636,473
Future retained profit of clients		8,086,640	1,360,950
DFC withheld exposure demand from clients		17,082,996	5,000,195
Other liabilities		3,057,080	4,390,085
		<u>230,417,762</u>	<u>89,227,429</u>

18 TAX PAYABLE

Opening tax refund	(4,672,365)	-
Tax paid during the period	(1,267,678)	-
	<u>(5,940,043)</u>	-
Refund received during the period	376,190	-
Provision for the period	8,296,179	-
Tax payable	<u>2,732,326</u>	<u>-</u>

19 CONTINGENCY AND COMMITMENT

19.1 Contingencies

As at 31 December 2020, 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.

19.2 Commitment

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

	<i>(Un-Audited)</i> <i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i> <i>Rupees</i>
For purchase of shares	<u>1,003,985,250</u>	<u>196,691,934</u>
For sale of shares	<u>834,113,232</u>	<u>187,124,492</u>

<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
<i>December 31,</i> <i>2020</i>	<i>December 31,</i> <i>2019</i>	<i>December 31,</i> <i>2020</i>	<i>December 31,</i> <i>2019</i>
----- Rupees -----			

20 OPERATING REVENUE

Brokerage income from PSX	126,082,172	39,780,694	56,448,449	31,052,227
Brokerage income from PMEX	5,211,769	-	3,126,972	-
Dividend income	590,783	988,680	590,783	988,680
	<u>131,884,724</u>	<u>40,769,374</u>	<u>60,166,204</u>	<u>32,040,907</u>

21 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.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in this financial statement, are as under:

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>December 31,</i> <i>2020</i> <i>Rupees</i>	<i>December 31,</i> <i>2019</i> <i>Rupees</i>
Chief Executive Officer	Mr. Abdul Basit	Trade payables	694,300	-
		The maximum aggregate amount outstanding during the period was Rs. 4,667,637		
		Brokerage commission earned	72,474	-
		Brokerage commission paid	195,718	-
Shareholder	Paramount Commodities (Pvt) Limited	Trade payables	11,725,958	-
		Trade receivables	-	2,886,335
		The maximum aggregate amount outstanding during the period was Rs. 112,913,917		
		Brokerage commission earned	5,729,509	532,673
Shareholder	MG Media (Private) Limited	Trade receivables	4,741,380	3,185,299
		The maximum aggregate amount outstanding during the period was Rs. 9,523,030		
		Brokerage commission earned	338,765	63,031
		Trade receivables	3,000	3,042,891
Shareholder	Nash Advertising (Private) Limited	The maximum aggregate amount outstanding during the period was Rs. 3,000		
		Brokerage commission earned	-	9,000

<i>Relationship with party</i>	<i>Transactions with</i>	<i>Nature of Transactions</i>	<i>December 31, 2020 Rupees</i>	<i>December 31, 2019 Rupees</i>
Shareholder	Mr. Sikander Mahmood	Trade receivables	646,423	388
		The maximum aggregate amount outstanding during the period was Rs. 21,089,149		
		Brokerage commission earned	232,271	4,560
Common shareholding	Arabian Sea Enterprises Limited	Trade payables	23,156,004	-
		Trade receivables	-	8,946,016
		The maximum aggregate amount outstanding during the period was Rs. 226,031,974		
Non Executive Director	Mr. Junaid Shehzad Ahmed	Brokerage commission earned	10,282,422	3,397,405
		Trade payable	5,331,194	-
		Trade receivables	-	15,750
Non Executive Director	Mr. Khizer Hayat	The maximum aggregate amount outstanding during the period was Rs. 70,862,544		
		Trade receivables	1,227,595	632,496
		The maximum aggregate amount outstanding during the period was Rs. 16,413,693		
Executive Director	Mr. Zulfiqar Ali Anjum	Brokerage commission earned	114,070	10,053
		Trade receivables	296,766	-
		Trade payables	-	75,671
Non Executive Director	Mr. Muhammad Talha Razi	The maximum aggregate amount outstanding during the period was Rs. 5,192,236		
		Brokerage commission earned	281,223	198,752
		Brokerage commission paid	1,265,900	-
Non Executive Director	Wing Commander Talat Mahmood (Retd.)	Trade payables	-	252,893
		Trade receivables	-	-
		The maximum aggregate amount outstanding during the period was Rs. 7,345,979		
Non Executive Director	Muhammad Khurram Faraz	Brokerage commission earned	-	1,875
		Trade payables	2,417,898	-
		The maximum aggregate amount outstanding during the period was Rs. 5,144,209		
Close family member of Director	Mrs. Mehreen Khurram	Brokerage commission earned	52,942	-
		Trade payables	2,465,999	-
		The maximum aggregate amount outstanding during the period was Rs. 22,520,256		
Close family member of Director	Mrs. Mehreen Khurram	Trade payables	49,735	-
		Trade receivables	-	355,399
		Brokerage commission earned	337,340	41,373

22 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on FEBRUARY 17, 2021.

23 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director