



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, 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

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,
11th Commercial Street, DHA, Phase-II Ext., Karachi

DIRECTORS' REPORT

For Nine Months Ended 31st March, 2021

DEAR SHAREHOLDERS,

The directors are pleased to present the Un-Audited Financial Statements of the Company for the nine month ended 31st 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/
ZENOBIA WASIF
Chairperson/Director

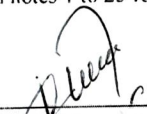
Sd/-
MUHAMMAD KHURRAM FARAZ
Chief Executive Officer


KARACHI
APRIL 28, 2021

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		
<u>ASSETS</u>			
Non-Current Assets			
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
		40,464,133	36,736,417
Current Assets			
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
		519,818,773	261,142,201
Total Assets		560,282,906	297,878,618
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
75,000,000 (2020 : 75,000,000) Ordinary shares		750,000,000	750,000,000
Ordinary shares) of Rs. 10 each			
Issued, subscribed and paid-up capital	16	300,000,000	300,000,000
Reserves			
Accumulated losses		(37,458,553)	(94,869,084)
Shareholders' Equity		262,541,447	205,130,916
Non-Current Liabilities			
Lease liabilities	17	5,232,495	-
Current Liabilities			
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	-
		292,508,964	92,747,702
Contingency and Commitment	21		
Total Equity and Liabilities		560,282,906	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 NINE MONTHS ENDED MARCH 31, 2021

	Note	Nine months ended		3rd quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
----- Rupees -----					
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)
		<u>230,590,637</u>	<u>77,966,886</u>	<u>90,016,773</u>	<u>26,059,463</u>
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)
		<u>(194,861,694)</u>	<u>(75,512,661)</u>	<u>(79,082,403)</u>	<u>(31,321,940)</u>
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

	<i>(Un-audited)</i> March 31, 2021	<i>(Un-audited)</i> March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	71,985,176	28,317,797
Adjustment for non-cash charges and other items		
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
	(22,817,335)	(14,155,582)
	49,167,841	14,162,215
Changes in Working Capital:		
(Increase) / decrease in current assets		
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)
	(246,002,223)	(61,808,729)
Increase in current liabilities		
Trade and other payables	138,739,290	33,003,787
Cash used in operations	(58,095,092)	(14,642,727)
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
Net cash used in operating activities	(59,913,905)	(8,299,736)

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)
Net cash generated from investing activities	12,163,746	(3,506,408)

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)
Net cash generated from financing activities	51,575,806	(1,571,232)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,825,647	(13,377,376)
Cash and cash equivalents at beginning of the period	37,248,528	85,333,827
Cash and cash equivalents at end of the period	15 41,074,175	71,956,451

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



Chief Executive

Ahmed

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

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	300,000,000	(106,125,148)	193,874,852
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	300,000,000	(37,458,553)	262,541,447

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

5.1 Operating fixed assets

Opening written down value		12,989,347	13,395,292
Addition during the period	5.2	1,254,660	1,170,106
Disposals during the period		-	(14,000)
Depreciation charge on disposal		-	11,476
Depreciation charge for the period		(1,213,661)	(1,573,527)
		13,030,346	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>Disposals</i>	
	<i>(at cost)</i>		<i>(at net book value)</i>	
	<i>March 31,</i>	<i>June 30,</i>	<i>March 31,</i>	<i>June 30,</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	----- <i>-Rupees</i> -----			
Computers	340,572	640,206	-	-
Furniture and fittings	508,043	362,500	-	(2,524)
Vehicles	241,710	-	-	-
Office equipment	164,335	167,400	-	-
	1,254,660	1,170,106	-	(2,524)

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

		<i>(Un-Audited)</i> March 2021 Rupees	<i>(Audited)</i> June 30, 2020 Rupees
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	2,039,583	2,245,834
		6,082,183	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> March 2021 Rupees	<i>(Audited)</i> June 30, 2020 Rupees
7.4 Software		
Opening net book value	2,245,834	2,520,834
Additions	-	-
Amortization charge	(206,251)	(275,000)
Closing net book value	2,039,583	2,245,834
Cost	2,750,000	2,750,000
Accumulated amortization	(710,417)	(504,166)
Net book value	2,039,583	2,245,834
Amortization rate	10%	10%

8 **LONG TERM INVESTMENTS**

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

March 31	June 30,	Name of securities	Note	Carrying Value	
				(Un-Audited)	(Audited)
2020	2020			March 31,	June 30,
Number of Shares				2021	2020
				Rupees	Rupees
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.

	Note	(Un-Audited)	(Audited)
		March 31,	June 30,
		2021	2020
		Rupees	Rupees
9 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		250,500	130,000
Lease deposit		1,229,700	-
		3,480,200	2,130,000

10 DEFERRED TAXATION

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

	Note	(Un-Audited)	(Audited)
		March	June 30,
		2021	2020
		Rupees	Rupees
Deductible temporary differences			
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)	-
		10,304,120	11,397,953
Taxable temporary differences			
Accelerated tax depreciation		(3,149,173)	(1,870,127)
Unrealized gain on investments		-	(256,685)
		(3,149,173)	(2,126,812)
		7,154,947	9,271,141

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	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
12.4 Provision for doubtful debts		
Balance as on July 01	11,510,903	60,468,781
Provision made during the period / year	-	1,215,871
	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
14 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

15 CASH AND BANK BALANCES

Cash in hand		823,565	607,211
Cash at banks			
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
		41,074,175	37,248,528

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
		73,723,109	36,641,317

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<i>(Un-Audited)</i>	<i>(Audited)</i>		
<i>March 31,</i>	<i>June 30,</i>		
<i>2021</i>	<i>2020</i>		
<i>Number of Shares</i>			
30,000,000	30,000,000	Ordinary shares of Rs.10 each fully paid in cash	
			300,000,000
			300,000,000

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		8,140,006	3,520,273
Current		2,907,511	3,520,273
Non-current		5,232,495	-
		8,140,006	3,520,273

<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>

Note

18 SHORT TERM BORROWING

- From Banking Company Secured

Running finance	18.1	<u>56,342,007</u>	-
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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.

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

19 TRADE AND OTHER PAYABLES

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

20 TAX PAYABLE

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

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: -

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

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

22 OPERATING REVENUE

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

Note

23 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, benefits and allowances	36,175,203	53,185,762	12,311,131	23,310,145
Commission and clearing house expense	134,930,415	4,287,741	57,889,210	1,935,014
Communication expenses	1,359,763	1,108,866	425,537	377,325
Printing and stationary	1,060,500	884,722	286,800	430,769
Entertainment expenses	1,852,528	757,733	724,232	317,437
Travelling and lodging expenses	610,637	718,217	174,868	264,990
Repairs and maintenance	1,914,583	1,319,872	661,718	397,043
Advertisement and publicity	4,480	430,500	0	312,970
Electricity and utilities	1,510,410	1,305,572	453,692	291,158
Insurance expenses	164,235	41,143	38,053	-
Depreciation on owned assets	5 1,213,661	3,875,955	398,565	1,381,509
Amortization on right of use assets	6 4,116,135	-	1,576,465	0
Amortization	7 206,251	206,250	68,750	68,750.00
Internet and software maintenance charges	2,024,864	1,651,205	902,532	536,211
Legal and professional charges	270,025	360,500	0	34,000
Fees and subscription	2,643,546	1,633,733	1,101,372	444,631
Rent, rates and taxes	397,339	208,962	70,246	36,793
Auditors remuneration	260,000	353,842	0	43,369
Donation and charity	51,800	27,000	40,000	2,000
Bad debts expense	-	832,499	-	614,799
Miscellaneous expenses	1,459,732	738,476	616,683	309,640
	192,226,107	73,928,551	77,739,854	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>
	----- Rupees -----			

24 **OTHER INCOME - Net**

Income from financial assets				
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	
	17,131,454	12,681,082	5,802,677	1,703,512
Income from other than financial assets				
Gain on sale of fixed assets	-	876	-	876
Others	19,124,779	13,181,615	8,059,793	5,604,168
	19,124,779	13,182,491	8,059,793	5,605,044
	36,256,233	25,863,573	13,862,470	7,308,556

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