

**Standard Capital Securities (Private) Limited**  
**Statement of Financial Position**  
**For the Period ended December 31, 2019**

	Note	Dec-19	Jun-19
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	5	15,664,288	16,223,241
Advance for PMEX Office	6	2,500,000	2,500,000
Intangible Assets	7	450,000	450,000
Long Term Investments	8	5,001,210	5,209,594
Long Term loan to employees		5,997,513	4,760,213
Long Term Deposits & Receivable	9	11,760,000	5,360,000
		<b>41,373,011</b>	<b>34,503,048</b>
<b>Current Assets</b>			
Trade Debts	10	74,105,330	73,045,621
Loans and Advances	11	301,900	801,900
Trade Deposits, Prepayments & Other Receivables	12	251,014,207	178,929,073
Short Term Investments	13	274,643,689	63,642,757
Income Tax Refundable Due From Government		-	2,148,327
Cash and Bank Balances	14	33,281,225	18,044,901
		<b>633,346,351</b>	<b>336,612,579</b>
<b>TOTAL ASSETS</b>		<b>674,719,362</b>	<b>371,115,626</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
20,000,000 (2019: 20,000,000) ordinary shares of Rs. 10/- each		<b>200,000,000</b>	<b>200,000,000</b>
Issued, Subscribed and Paid-up Capital	15	112,800,000	112,800,000
Reserves and Unappropriated Profit		58,371,984	7,289,512
		171,171,984	120,089,512
Loan from director & sponsor - Equity Contribution	16	75,000,000	64,201,509
		<b>246,171,984</b>	<b>184,291,021</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	17	333,348,523	151,508,433
Accrued Markup	18	1,370,040	517,781
Short Term Borrowings -secured	19	88,442,856	34,798,392
Provision for Taxation - net of payments		5,385,959	-
		<b>428,547,378</b>	<b>186,824,606</b>
<b>Contingencies and commitments</b>	20	-	-
		<b>674,719,362</b>	<b>371,115,627</b>

The annexed notes 1 to 26 form an integral part of these financial statements



**Standard Capital Securities (Private) Limited**  
**Statement of Profit or Loss**  
**And Other Comprehensive Income**  
**For the Period ended December 31, 2019**

	Note	Dec-19	Jun-19
-----Rupees-----			
Operating Revenues	21	38,748,005	61,726,324
Capital (Loss) / Gain on Sale of Listed shares - net		22,762,817	(98,529,429)
		61,510,822	(36,803,105)
Administrative Expenses	22	17,653,350	36,343,471
Other Operating Expenses	23	1,262,671	5,888,193
Finance cost	24	1,421,321	3,029,241
		20,337,342	45,260,905
		41,173,480	(82,064,010)
Other Income	25	20,697,401	456,801
<b>Loss before taxation</b>		61,870,881	(81,607,209)
Provision for taxation	26	(9,954,873)	(5,011,613)
<b>Profit / (Loss) after taxation</b>		51,916,008	(86,618,822)
<b>Other Comprehensive Income:</b>			
Realized gain on disposal of available for sale investments		-	-
Fair value gain / (loss) on initial recognition of available for sale investments		(833,536)	(10,819,933)
		(833,536)	(10,819,933)
<b>Total Comprehensive loss</b>		51,082,472	(97,438,755)
<b>Earning Per Share - Basic and diluted</b>		4.53	(8.64)

The annexed notes 1 to 26 form an integral part of these financial statements



**Standard Capital Securities (Private) Limited**  
**Statement of Changes in Equity**  
**For the Period ended December 31, 2019**

	Issued, Subscribed and Paid up Capital	Unappropriated Profit	Fair value gain on initial recognition of available for sale investments	Loan from director & sponsor - Equity Contribution	Total
	-----Rupees-----				
Balance as at July 01, 2019	112,800,000	73,069,946	31,658,321	75,000,000	292,528,267
Loan received during the year	-	-	-	(10,798,491)	(10,798,491)
Total Comprehensive Income for the year	-	(86,618,822)	(10,819,933)	-	(97,438,755)
Balance as at June 30, 2019	112,800,000	(13,548,876)	20,838,388	64,201,509	184,291,021
Loan repaid during the year				10,798,491	10,798,491
Total Comprehensive Income for the year	-	51,916,008	(833,536)	-	51,082,472
Balance as at June 30, 2020	<u>112,800,000</u>	<u>38,367,132</u>	<u>20,004,852</u>	<u>75,000,000</u>	<u>246,171,984</u>

The annexed notes 1 to 26 form an integral part of these financial statements



**Standard Capital Securities (Private) Limited**  
**Notes to the Financial Statements**  
**For the Period ended December 31, 2019**

**1 The Company and its operation**

The company was incorporated under the Companies Ordinance, 1984 on 17th October, 1998 as a Private Limited Company. The name of the company was changed on April 5, 2006 as Standard Capital Securities (Private) Limited. The company is principally engaged in the business of equity brokerage, equity research and corporate finance advisory. The company has also acquired membership of the National Commodity Exchange Limited. The registered office of the company is situated at office number 909, 9th floor, Business & Finance Center, Karachi

**2 BASIS OF PREPARATION**

**2.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except otherwise specifically stated.

**2.2 Statement of compliance**

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

- International Financial Reporting Standards for small and medium size Entities (IFRSs for SMEs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company.

**2.4 Critical Accounting estimates and judgments:**

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. The result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Judgments made by management that have significant effect on the financial statements and estimates with significant probability of material adjustment in future are disclosed hereunder:

- (a) Recognition of taxation and deferred taxation (note 4.6);
- (b) Determining the residual values and useful lives of property and equipment (note 4.1);
- (c) Impairment of financial assets (note 4.16); and
- (d) Classification of Investments (note 4.4).

## 2.5 Basis of preparation

These financial statements comprise of statement of financial position, Statement of profit or loss, statement of comprehensive income, statement of changes in equity and statements of cash flows together with explanatory notes forming part thereof and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

## 3 Significant Transactions And Events Affecting The Company'S Financial Position And Performance

Operating revenue (brokerage commission) from customers has decreased significantly during the year. The major reason for loss of revenue is the loss of overall individual investors' confidence in the stock market, which is evident from decrease in PSX 100 index.

Company has incurred significant losses on its investment during the year.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Property and Equipment

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation on all fixed assets is charged to profit and loss account applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life at rates given in note no. 5. Depreciation on addition is charged from the period the asset is available for use up to the period prior to its disposal.

Maintenance and normal repairs are charged to profit and loss account, as and when incurred. Gain or loss on disposal of fixed assets is recognized as income or loss in the year of disposal.

### 4.2 Capital work in Progress:

Capital work in progress, if any, is stated at cost.

### 4.3 Intangible assets

Intangible asset is recognized as an asset if it is probable that future economic benefit attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Amortization is charged to profit and loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. All intangible assets are systematically tested for impairment at each balance sheet date. Amortization on addition is charged from the period the intangible asset is available for use up to the period prior to its disposal.



**a) Membership Card and Offices**

Membership cards, room and booth are stated at cost of acquisition. Provision is made annually in the accounts for permanent diminution, if any, in the value of this assets. In the previous year upon demutualization of the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) the changes effected has been recorded which are stated in respective notes.

**b) Computer Software**

Expenditure incurred to acquire computer software and having probable economic benefits exceeding the cost beyond one year, is recognised as an intangible asset. Such expenditure includes the purchase cost(License Fee) and related overhead cost.

Computer Software and License are stated at cost less accumulated amortization and any identified impairment loss.

Cost associated with maintaining computer software programs are recognized as an expense when incurred.

**4.4 Investments**

Investments which are acquired principally for the purpose of selling in the near term are classified as investments at fair value through profit or loss. These are recognized initially at cost being the fair value of the consideration given. Subsequently, these are re-measured at fair values representing prevailing market prices. Resultant gain or loss is recognized in the profit and loss account.

**4.5 Trade debts**

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**4.6 Taxation**

**Current :**

Provision for current taxation in the accounts is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax, whichever is higher.

**Deferred :**

The Company accounts for deferred taxation arising on all temporary differences by using the liability method but does not account for net deferred tax asset unless the realization whereof is certain in foreseeable future.

**4.7 Trade and other payables**

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

**4.8 Provisions**

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.



#### **4.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks.

#### **4.10 Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

#### **4.11 Financial assets and liabilities**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, or amortized cost, as the case may be.

#### **4.12 Offsetting of financial assets and liabilities**

All financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

#### **4.13 Borrowings**

Borrowings are recorded at the amount of proceeds received.

#### **4.14 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### **4.15 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions.

#### **4.16 Impairment**

The company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### **4.17 Revenue recognition**

- a) Brokerage, commission, consultancy fees and other income are recognized as and when services are provided.
- b) Dividend income is recognized when right to receive is established.
- c) Gains/(Loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- d) Income from cash exposure margin, web access fees, IPOs/SPOs and profit on debt is accrued.



## 5 Property, Plant and Equipment

	Dec-19					Total
	Office premises	Furniture and fittings	Computers	Office Equipment	Vehicles	
	----- Rupees -----					
<b>Net Carrying value basis as at June 30, 2020</b>						
Opening net book value	14,162,591	51,143	300,734	273,121	1,435,651	16,223,241
Addition (at Cost)	-	-	-	-	-	-
Disposal at NBV	-	-	-	-	-	-
Depreciation charge	(354,065)	(2,557)	(45,110)	(13,656)	(143,565)	(558,953)
<b>Closing net book value</b>	<b>13,808,526</b>	<b>48,586</b>	<b>255,624</b>	<b>259,465</b>	<b>1,292,086</b>	<b>15,664,288</b>
<b>Gross Carrying value basis as at June 30, 2020</b>						
Cost	18,910,250	118,810	12,279,022	776,350	4,393,050	36,477,482
Accumulated depreciation	(5,101,724)	(70,224)	(12,023,398)	(516,885)	(3,100,964)	(20,813,194)
<b>Net book value</b>	<b>13,808,526</b>	<b>48,586</b>	<b>255,624</b>	<b>259,465</b>	<b>1,292,086</b>	<b>15,664,288</b>
<b>Depreciation rate % per annum</b>	<b>5%</b>	<b>10%</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	

	Jun-19					Total
	Office premises	Furniture and fittings	Computers	Office Equipment	Vehicles	
	----- Rupees -----					
<b>Net Carrying value basis as at June 30, 2019</b>						
Opening net book value	14,907,991	56,826	429,620	303,468	1,794,564	17,492,470
Addition (at Cost)	-	-	-	-	-	-
Disposal at NBV	-	-	-	-	-	-
Depreciation charge	(745,400)	(5,683)	(128,886)	(30,347)	(358,913)	(1,269,229)
<b>Closing net book value</b>	<b>14,162,591</b>	<b>51,143</b>	<b>300,734</b>	<b>273,121</b>	<b>1,435,651</b>	<b>16,223,241</b>
<b>Gross Carrying value basis as at June 30, 2019</b>						
Cost	18,910,250	118,810	12,279,022	776,350	4,393,050	36,477,482
Accumulated depreciation	(4,747,659)	(67,667)	(11,978,288)	(503,229)	(2,957,399)	(20,254,241)
<b>Net book value</b>	<b>14,162,591</b>	<b>51,143</b>	<b>300,734</b>	<b>273,121</b>	<b>1,435,651</b>	<b>16,223,241</b>
<b>Depreciation rate % per annum</b>	<b>5%</b>	<b>10%</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	





	Note	Dec-19 -----Rupees-----	Jun-19
<b>6 ADVANCE FOR OFFICE WITH PMEX</b>			
PMEX (advance for office)		2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>
<b>7 INTANGIBLE ASSETS</b>			
Membership Entitlements			
Pakistan Stock Exchange Limited TREC	7.1 & 8.1	14,000,000	14,000,000
Less: Impairment loss		(13,800,000)	(13,800,000)
		200,000	200,000
Pakistan Mercantile Exchange Limited		250,000	250,000
		<u>450,000</u>	<u>450,000</u>
<b>7.1</b> Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) has been demutualized and in terms whereof it's members have been allowed in exchange of membership, "Trading Right Entitlement Certificate (TREC)" along with shareholding in Pakistan Stock Exchange Ltd The Company has recorded the value of membership in the PSX at Rs.14 Million as Intangibles while Pakistan Stock Exchange vide letter no: KSE/SECP-2013/1 have indicated notional value whereof at Rs. 15 Million. Fair value of the TREC has been re-evaluated and impairment loss being difference of projected bid price of TREC at that time and recorded value has been provided for.			
<b>8 Long Term Investments</b>			
Available for Sale			
400,738 (2019: 400,738) Shares			
Pakistan Stock Exchange Limited	7.1 & 8.1	5,209,594	7,914,576
Less: Investment classified in short term investment		-	-
Less: Remeasurement loss		(208,384)	(2,704,982)
		<u>5,001,210</u>	<u>5,209,594</u>
<b>8.1</b> This represents face value of ordinary shares allotted by Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) in lieu of membership of the KSE works out at Rs.40.074 Million, while the recorded value of the membership card as Intangible asset was Rs. 14 Million, however the company recorded face value of the shares allotted and classified as available for sale and followed the re-measurement method upon initiation of active market for these shares. In accordance with the demotulization policy 60% of allotted shares 2,404,430 were kept in blocked account which has been released gradually and now stand at 1,081,194 shares with Central Depository Company of Pakistan.			
<b>9 LONG TERM DEPOSITS &amp; RECEIVABLE</b>			
<u>Trade Deposits</u>			
Deposit with Pakistan Stock Exchange Ltd		10,000	10,000
Deposit with CDC Pakistan Ltd		100,000	100,000
Deposit with Pakistan Mercantile Exchange Ltd		750,000	750,000
Deposit with National Clearing Company of Pak Ltd		1,400,000	1,500,000
Base Minimum Capital Requirement PSX		9,000,000	2,500,000
PMEX Clearing deposit		500,000	500,000
		<u>11,760,000</u>	<u>5,360,000</u>



	Note	Dec-19 -----Rupees-----	Jun-19
<b>10 TRADE DEBTS</b>			
<b>Unsecured</b>			
Considered Good	10.1	74,105,330	73,045,621
Considered Doubtful		1,837,764	1,837,764
		75,943,094	74,883,385
Provision for doubtful debts	10.4	(1,837,764)	(1,837,764)
		<u>74,105,330</u>	<u>73,045,621</u>
<b>10.4 Provision for Trade Debts considered doubtful</b>			
Opening		1,837,764	1,837,764
Provided during the year		-	-
Closing		<u>1,837,764</u>	<u>1,837,764</u>
<b>11 LOANS AND ADVANCES-Considered good</b>			
Loan to employees recoverable in next twelve months		301,900	801,900
		<u>301,900</u>	<u>801,900</u>
<b>12 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>With NCCPL</b>			
Ready Exposure - Client A/c		106,193,172	67,394,959
Future Exposure - Client A/c		37,949,837	25,362,533
Ready Exposure - Brokerage A/c		57,000,000	50,000,000
Future Exposure - Brokerage A/c		12,000,000	10,000,000
SLB Market Exposure		50,000	50,000
MTS Cash Exposure		33,000,000	20,000,000
MF Cash Exposure		1,300,000	1,300,000
MTS loss concentration margin		2,027,565	1,282,938
Future (Balance retained against future contract)		1,292,485	3,361,520
Stock Index Future		50,000	50,000
Receivable From NCCPL		119,649	-
Others		5,000	5,000
Prepaid Insurance Premium		26,499	122,123
		<u>251,014,207</u>	<u>178,929,073</u>



	Dec-19	Jun-19
Note	-----Rupees-----	
<b>13 SHORT TERM INVESTMENTS</b>		
<b><u>Fair value through profit or loss</u></b>		
In Listed Shares	253,540,046	48,013,962
Deposit for shares subscription MLCF / HASCOL	6,100,000	-
In Mutual funds	-	-
	<b>259,640,046</b>	<b>48,013,962</b>
<b><u>Fair value through other comprehensive income</u></b>		
Pakistan Stock Exchange Limited		
<b>1,202,215 (2019: 1,202,215) Shares</b>	15,628,795	23,743,746
Remeasurement loss	(625,152)	(8,114,951)
	<b>15,003,643</b>	<b>15,628,795</b>
	<b>274,643,689</b>	<b>63,642,757</b>
<b>13.1 In Listed Shares</b>		
Cost of Investments including MTS.	232,843,960	53,453,899
Remeasurement Gain / (Loss)	20,696,086	(5,439,937)
Net Carrying Values being market values	<b>253,540,046</b>	<b>48,013,962</b>
<b>13.2 In Mutual Funds</b>		
Cost of Investments in Dawood Family Takaful	3,000,000	3,000,000
Less: Impairment loss	(3,000,000)	(3,000,000)
Net Carrying Values being Net Asset values	<b>-</b>	<b>-</b>
<b>14 CASH AND BANK BALANCES</b>		
Cash in hand	9,042	7,936
Cash at bank - Balances Commodities Trading	1,126,965	1,126,965
Cash at bank in current accounts	3,188,020	3,039,004
Cash at bank in saving accounts	-	35,638
Cash at bank - Client accounts balances	28,957,198	13,835,358
	<b>33,272,183</b>	<b>18,036,965</b>
	<b>33,281,225</b>	<b>18,044,901</b>



15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		Dec-19	Jun-19
2020	2019		
11,280,000	11,280,000	112,800,000	112,800,000

Ordinary Shares of Rs. 10 each issued  
for consideration paid in cash

Pattern of shareholding	% of Holding	No of shares	
Name of share holders			
Mr. Haroon Chamdia	12.00%	1,353,100	1,353,100
Mrs. Feroza Haroon	14.00%	1,579,200	1,579,200
Mr. Naushad Chamdia	48.80%	5,505,000	5,505,000
Mrs. Shazia Mustafa	12.00%	1,353,600	1,353,600
Mr. Navid Chamdia	12.00%	1,353,600	1,353,600
Others shareholding Less than 5%	1.20%	135,500	135,500
	<b>100.00%</b>	<b>11,280,000</b>	<b>11,280,000</b>

#### 16 LOAN FROM DIRECTOR & SPONSOR - EQUITY CONTRIBUTION

Loan From Director & Sponsor - Unsecured, interest free	75,000,000	64,201,509
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16.1 This represents loan from Director, Sponsor and repayable at the discretion of the company, hence in accordance with TR-32 issued by Institute of Chartered Accountants of Pakistan (ICAP), the loan has been classified as equity contribution as per Selected Opinion of ICAP.

#### 17 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients	17.1	206,113,114	126,275,629
Accrued Expenses	17.2	1,886,794	2,649,839
MTS unreleased payable		120,822,216	22,093,260
Other liabilities	17.3	4,526,399	489,705
		<b>333,348,523</b>	<b>151,508,433</b>

#### 17.3 Other Liabilities

Withholding Income Tax	4,910	1,820
CDC Pakistan -Charges payable	239,087	135,258
NCCPL - Charges payable	348,101	111,147
Capital gain fee payable to NCCPL	2,707,584	4,418
Sindh Sales Tax on Services payable	1,226,717	237,062
	<b>4,526,399</b>	<b>489,705</b>



	Note	Dec-19 -----Rupees-----	Jun-19
<b>18 ACCRUED MARKUP</b>			
Accrued mark-up on running finance from bank- secured		<u>1,370,040</u>	<u>517,781</u>
<b>19 SHORT TERM BORROWINGS -Secured</b>			
Running finance from bank	19.1	<u>88,442,856</u>	<u>34,798,392</u>

**19.1** The facilities for running finance available from various commercial banks aggregating to Rs. 200 (2018: Rs. 200) million and carry mark-up at the rate 1 month Kibor + 2% spread depending upon timely markup payment (2018: 1 month Kibor + 2% to 2.5%) per annum calculated on daily product basis payable quarterly. These arrangements are secured against pledge/hypothecation of marketable securities, movable assets and personal guarantee of all the directors.

## **20 Contingencies and Commitments**

### **20.1 Guarantee**

The Company has furnished as exposure to National Clearing Company of Pakistan Limited bank guarantee issued by JS Bank Limited upto Rs. 15 million (2018: Rs. 12.5 million) which is secured by equitable mortgage of Company's property and personal gurantee of two director/sponsors.

### **20.2 Contract for Capital Expenditure/Other Commitments**

There were no capital expenditure/other commitment outstanding at the year end.



Dec-19                      Jun-19  
-----Rupees-----

**21 OPERATING REVENUES**

Gross Brokerage Revenue - Securites Trading	21.1	34,447,132	51,505,121
Return on cash exposure / MTS margin		7,597,161	8,249,643
Return on Margin Financing		214,094	2,774,085
		<u>42,258,387</u>	<u>62,528,849</u>
Less: Tradee's shares in brokerage		(6,999,032)	(10,503,365)
		<u>35,259,355</u>	<u>52,025,484</u>
Dividend income		3,488,650	9,700,840
		<u>38,748,005</u>	<u>61,726,324</u>

**22 ADMINISTRATIVE AND OPERATING EXPENSES**

Salaries and benefits		8,947,336	19,152,943
Fees and subscription		3,024,910	7,022,228
Communication		1,167,142	2,376,070
Utilities		608,799	1,068,295
Office and Computers repairs and maintenance		1,037,549	1,493,499
Vehicle running expenses		68,650	114,500
Printing and stationery		165,735	240,673
Office equipment and software maintenance		763,938	1,531,472
Rent, rates and taxes		289,287	419,459
Insurance		98,732	166,058
Legal and professional charges		277,300	412,900
Traveling and conveyance		300,000	200,000
Entertainment		226,067	460,606
Depreciation	5	558,953	1,269,229
Postage & Courier		36,424	58,878
Auditors' Remuneration-Audit Fee		-	90,000
Advertisement Expenses		-	21,600
Miscellaneous Expenses		82,528	245,061
		<u>17,653,350</u>	<u>36,343,471</u>

**23 OTHER OPERATING EXPENSES**

Unrealized loss on remeasurement of listed shares	13.1	-	5,439,937
Workers Welfare Fund		1,262,671	448,256
		<u>1,262,671</u>	<u>5,888,193</u>

**24 FINANCE COST**

Mark-up on short term running finance from bank		1,390,329	2,697,584
Bank charges and commission		30,992	331,657
		<u>1,421,321</u>	<u>3,029,241</u>



Dec-19                      Jun-19  
----- Rupees -----

**25 OTHER INCOME**

Markup income		1,315	428,466
PSX Bank Profit on Retention Money 10%		-	1,446
Unrealized remeasurement gain on Investments	13.1	20,696,086	-
Income from new subscription		-	26,889
		20,697,401	456,801

**26 TAXATION**

Current - for the year		9,954,873	5,011,613
		9,954,873	5,011,613

