

**LSE FINANCIAL SERVICES LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2020



## LSE Financial Services Ltd.

### Directors' Report

Dear Shareholders,

The Board of Directors is pleased to present its report along with the unaudited accounts of your Company for the 1<sup>st</sup> quarter period ended September 30, 2020:

Financial Highlights	Sep-20 Rs. In 000's	Sep-19 Rs. in 000's	Budget Rs. in 000's
Operating Revenue	38,204	41,233	34,081
Operating Expenditure	(23,530)	(26,655)	(27,590)
Operating Net Revenue	14,674	14,578	6,491
Share of profit of Associates-net of tax	49,373	27,530	34,947
<b>Profit before Taxation</b>	<b>64,047</b>	<b>42,108</b>	<b>41,438</b>
Taxation	11,448	11,192	7,684
<b>Net Profit for the period</b>	<b>52,599</b>	<b>30,915</b>	<b>33,754</b>
<b>Earnings Per Share (EPS)</b>	<b>Rs. 0.41</b>	<b>Rs. 0.24</b>	<b>Rs. 0.26</b>

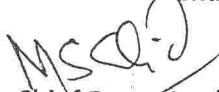
### PERFORMANCE REVIEW

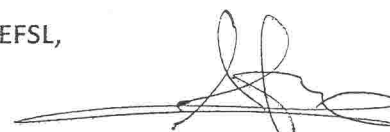
During the 1<sup>st</sup> quarter ended on September 30, 2020, LSEFSL earned Operating revenue of Rs 38.204 million, as compared to Rs. 41.233 million last year's comparative period, i.e., a decrease of 3.029 million or 7.34% due to reduction in interest rate. The revenue was generated from rent, profit from bank deposits, investments, income from MTS and other income. The administrative expenses were Rs. 23.530 million, i.e., low by Rs. 3.125 million or 12% from last year's comparative period. Expenses relating to Margin Trading System, Legal & professional, Utilities and property taxes are showing minor movement. The company also incorporates the share of profit of associate amounting to Rs. 49.373 million i.e. high by Rs. 21.843 million or 79% from comparative period. The Company earned a profit before taxation of Rs. 64.047 million for the period under review, which is higher by Rs. 21.939 million or 52%, as compared to corresponding period. Furthermore, profit after tax is up by Rs. 21.684 million or 70% from last year's comparative period and has reached Rs. 52.599 million. The company has also achieved its budgetary target of first quarter i.e. September 2020. From net operating profit prospective, the company's performance in the current quarter is better than previous year's corresponding period and budgetary comparative period as well.

Earnings per Share- (Basic & Diluted) for the period ended September 30, 2020 was recorded as Rs. 0.41 per share against Rs. 0.24 per share last year, which is increased by Rs. 0.17 or 70%. Further, the net asset value of the share is Rs. 23.63/-

During the period, JCR-VIS Credit Rating Company Ltd. re-affirmed entity ratings as A/A-1 to LSEFSL. Outlook on the assigned ratings is 'Stable'.

For and on behalf of the Governing Board of Directors of LSEFSL,

  
Chief Executive/Managing Director

  
Director

**LSE FINANCIAL SERVICES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020 (UN-AUDITED)**

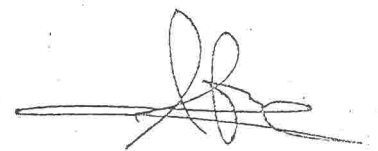
	Note	September 30, 2020 Un-Audited	June 30, 2020 Audited
.....(Rupees in '000s).....			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,264,349	1,268,499
Investment property - at fair value		378,431	378,431
Investment accounted for using the equity method	6	1,034,930	996,289
Net investment in finance lease	7	3,934	4,282
Financial assets	8	50,749	52,300
Long term deposits	9	1,762	1,762
		2,734,155	2,701,563
<b>CURRENT ASSETS</b>			
Stores and spares		1,343	1,778
Trade and other receivables	10	26,871	22,417
Advances and prepayments	11	4,228	2,945
Financial assets	12	390,915	414,867
Advance income tax	13	36,746	35,908
Cash and bank balances	14	108,144	69,732
		568,247	547,647
		3,302,402	3,249,210
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Issued, subscribed and paid-up capital	15	1,282,842	1,282,842
Capital reserves			
Revaluation surplus on property, plant and equipment		786,374	786,403
Surplus on revaluation of investments		3,863	4,964
Building reserve fund	16	500	-
		790,737	791,367
Revenue reserves			
Unappropriated profit		958,373	906,245
		3,031,952	2,980,454
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation	17	126,472	121,760
		126,472	121,760
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	111,920	113,788
Unpaid dividend	19	26,395	26,476
Unclaimed dividend	19	5,663	6,732
		143,978	146,996
<b>CONTINGENCIES AND COMMITMENTS</b>			
		3,302,402	3,249,210

The annexed notes 1 to 30 form an integral part of these financial statements.

  
 Chief Executive Officer

Lahore

  
 Chief Financial Officer

  
 Director

**LSE FINANCIAL SERVICES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)**

	Note	Quarter ended	
		September 30, 2020 Un-Audited	September 30, 2019 Un-Audited
(Rupees in '000s)			
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Income from margin trading system	20	9,577	13,519
Rental income	21	12,084	11,214
Other income	22	16,544	16,500
		38,204	41,233
<b>OPERATING EXPENSES</b>			
Administrative and general expenses	23	(23,508)	(26,644)
<b>OPERATING PROFIT</b>			
Finance cost		(22)	(11)
Share of profit of associates - net of tax	6	49,373	27,530
<b>PROFIT BEFORE TAXATION</b>			
		64,047	42,108
Taxation	24	(11,448)	(11,193)
<b>PROFIT AFTER TAXATION</b>			
		52,599	30,915
<b>EARNINGS PER SHARE OF RS. 10 EACH - basic and diluted</b>	25	0.41	0.24

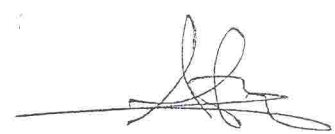
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Lahore Chief Executive Officer



Chief Financial Officer



Director


**LSE FINANCIAL SERVICES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)**

Note	Quarter ended	
	September 30, 2020	September 30, 2019
	Un-Audited	Un-Audited
	(Rupees in '000s)	
PROFIT FOR THE YEAR	52,599	30,915
Other comprehensive income / (loss)		
Unrealized gain on investments classified as available for sale	(1,551)	-
Effect of deferred tax	450	-
	(1,101)	-
	<u>51,498</u>	<u>30,915</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>51,498</u>	<u>30,915</u>

*Items that are or may be subsequently reclassified to statement of profit or loss:*

Share of the comprehensive Profit / loss from associates in respect of revaluation on available-for-sale investments

The annexed notes 1 to 30 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer

Director

LSE FINANCIAL SERVICES LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES	TOTAL EQUITY
	Issued, subscribed and paid up capital - ordinary shares	Revaluation surplus on Property, Plant and Equipment	Building reserves	Deficit on revaluation of investments - associates	Unappropriated profit	
.....(Rupees in '000s).....						
Balance as at June 30, 2019 - restated	1,282,842	779,597	-	-	846,813	2,909,253
Profit for the period	-	-	-	-	30,915	30,915
Other comprehensive loss - net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	30,915	30,915
Balance as at Sep 30, 2019 (Un-Audited)	1,282,842	779,597	-	-	877,728	2,940,168
Profit for the period	-	-	-	-	129,161	129,161
Other comprehensive income / (loss) - net of tax	-	8,505	-	4,964	283	13,752
Total comprehensive income for the period	-	8,505	-	4,964	129,444	142,913
Transferred to unappropriated profit on account of incremental depreciation - net of tax	-	(1,699)	-	-	1,699	-
Transaction with owners: Dividend paid (Rs. 0.80 per share) for the year ended June 30, 2019	-	-	-	-	(102,827)	(102,827)
Balance as at June 30, 2020	1,282,842	786,403	-	4,964	906,245	2,980,454
Profit for the period	-	-	-	-	52,599	52,599
Other comprehensive loss - net of tax	-	-	-	(1,101)	-	(1,101)
Total comprehensive income for the period	-	-	-	(1,101)	52,599	51,498
Transferred from revenue reserve to building reserve fund	-	-	500	-	(500)	-
Transferred to unappropriated profit on account of incremental depreciation - net of tax	-	(29)	-	-	29	-
Balance as at Sep 30, 2020 (Un-Audited)	1,282,842	786,374	500	3,863	958,373	3,031,952

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore

Chief Executive Officer

Chief Financial Officer

Director


**LSE FINANCIAL SERVICES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)**

	Note	Quarter ended	
		September 30, 2020	September 30, 2019
		Un-Audited	Un-Audited
		(Rupees in '000s)	
<b>Cash flows from operating activities</b>		64,047	42,108
Profit before tax			
<b>Adjustments for non - cash and other items:</b>			
Depreciation		5,334	5,574
Share of profit of associates		(49,373)	(27,530)
Return on investments		(11,965)	(18,053)
Lease rentals		(12,084)	(11,214)
Employees welfare fund		73	-
Provision against doubtful trade and other receivables		95	2,166
Finance cost		22	11
<b>Loss before working capital changes</b>		(67,898)	(49,045)
<b>Movement in working capital</b>	26	(11,945)	(10,352)
(Payments) / receipts in respect of:		(15,796)	(17,291)
Movement in ex - members and tenants' deposits - net		15,260	15,578
<b>Net cash generated from operations</b>		(536)	(1,714)
Employees welfare fund		(73)	-
Earned leaves paid		(251)	(226)
Finance cost paid		(22)	(11)
Withholding tax deducted		(7,124)	(7,737)
<b>Net cash generated from operating activities</b>		(8,006)	(9,688)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure incurred		(1,186)	(141)
Short term investment (T-bills and TDR's)		-	(48,771)
Short term investment (MTS)		23,951	30,301
Net investment in finance lease		348	-
Long term investment made during the year (PIBs)		-	(45,309)
Profit received on saving bank accounts and term deposits		13,723	16,516
Dividend received from Associates		10,732	13,415
<b>Net cash used in investing activities</b>		47,568	(33,989)
<b>Cash flows from financing activities</b>			
Un claimed Dividend (paid) / Receipt		(1,150)	1,634
<b>Net cash used in financing activities</b>		(1,150)	1,634
<b>Net Increase / (decrease) in cash and cash equivalents</b>		38,412	(42,042)
Cash and cash equivalents at the beginning of the year		69,732	106,814
Cash and cash equivalents at the end of the year	14	108,144	64,772

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**LSE FINANCIAL SERVICES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**1 Legal status and operations**

LSE Financial Services Limited ("the Company") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public Company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as an investment finance services company under the name LSE Financial Services Limited.

Prior to cessation of the stock exchange operations, the Company was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, modaraba certificates, pre-organization certificates and securities, stocks, bonds, debentures, debenture stocks, Government papers, loans and any other instruments and securities of like nature including but not limited to special national fund bonds and documents of a similar nature issued by the Government of Pakistan or any institution or agency authorized by it.

**2 BASIS OF PREPARATION**

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017, differ with the requirements of IFRS, the requirements of the Companies Act, 2017 shall prevail.

This condensed interim financial information does not include all information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments.

**3 ACCOUNTING POLICIES**

The significant accounting policies are adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**4 Taxation**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

**5 Property, plant and equipment**

	September 30, 2019 <u>Un-Audited</u>	June 30, 2020 <u>Audited</u>
	(Rupees in '000s)	
Property, plant and equipment	1,238,965	1,242,848
Capital work-in-progress	25,384	25,651
	1,264,349	1,268,499



5.1 OPERATING FIXED ASSETS - TANGIBLE

	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Book Value as at 30-09-2020
	Balance as at 01-07-2020	Additions	Deletions	Revaluation surplus	Transfer from CWP	Depreciation adjustment	Balance as at 30-09-2020	For the Year	
<b>Owned assets</b>	1,059,660	-	-	-	-	-	1,059,660		1,059,660
Land freehold	95,139	150	-	-	-	-	95,289	5%	89,401
Building on freehold land	50,982	249	-	-	-	-	51,231	30%	2,106
Computer and accessories	13,867	-	-	-	-	-	13,867	10%	4,818
Furniture and fixture	7,351	-	-	-	-	-	7,351	20%	532
Office equipment	116,835	-	-	-	603	-	117,438	20%	52,811
Electric fittings and appliances	3,345	-	-	-	-	-	3,345	20%	988
Vehicles	19,969	-	-	-	-	-	19,969	20%	8,395
Elevator	34,206	-	-	-	-	-	34,206	10%	18,019
Generator	4,213	449	-	-	-	-	4,662	10%	2,232
Arms and security equipments	318	-	-	-	-	-	318	25%	315
Library books	5,697	-	-	-	-	-	5,697	20%	5,697
Leasehold improvements	1,411,582	848	-	-	603	-	1,413,033		1,238,965
							168,734	5,334	174,068

Rupees in '000s - September 2020

	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Book Value as at 30-06-2020
	Balance as at 01-07-2019	Additions	Deletions	Revaluation surplus	Transfer from CWP	Depreciation adjustment	Balance as at 30-06-2020	For the Year	
<b>Owned Assets</b>	1,059,660	-	-	-	-	-	1,059,660		1,059,660
Land freehold	95,139	-	-	-	-	-	95,139	5%	90,382
Building on freehold land	50,955	396	(369)	-	-	-	50,982	30%	2,031
Computer and accessories	13,961	-	(94)	-	-	-	13,867	10%	4,941
Furniture and fixture	7,399	65	(113)	-	-	-	7,351	20%	558
Office equipment	109,156	7,437	(457)	-	699	-	116,835	20%	55,114
Electric fittings and appliances	3,345	-	-	-	-	-	3,345	20%	1,040
Vehicles	19,285	684	-	-	-	-	19,969	20%	8,798
Elevator	33,960	246	-	-	-	-	34,206	10%	18,461
Generator	3,581	632	-	-	-	-	4,213	10%	1,840
Arms and security equipments	318	-	-	-	-	-	318	25%	315
Library books	5,697	-	-	-	-	-	5,697	20%	5,697
Leasehold improvements	1,402,456	9,460	(1,033)	-	699	-	1,411,582		1,242,848
							145,877	23,715	168,734

Rupees in '000s - June 2020

5.2 Total area of LSE's both plazas is 200,003 Sq. ft. approx. which has been allocated in the following manner:

- Area 165,029 Sq. Ft. has been given on 99 years finance lease including service & common area.
- Area 25,018 Sq. Ft. has been accounted for as investment property.
- Area 9,956 Sq. Ft. Is owned by LSEFSL for office use including service & common area.

6 INVESTMENT IN ASSOCIATES - under equity method of accounting

The Pakistan Credit Rating Agency Limited (PACRA)  
 Central Depository Company of Pakistan Limited (CDC)  
 National Clearing Company of Pakistan Limited (NCCPL)

Note	September 30,	June 30,
	2020	2020
	Un-Audited	Audited
	(Rupees in '000s)	
	76,020	83,202
	522,867	504,103
	436,043	408,984
	<u>1,034,930</u>	<u>996,289</u>

Reconciliation of changes in carrying value of Investment in associates

Sep-20

	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
.....(Rupees in '000s).....				
Opening balance	83,202	504,103	408,984	996,289
Share of profit for the year	3,550	18,764.33	27,058.56	49,373
Gain / (deficit) on revaluation of associates' available for sale investments	-	-	-	-
Actuarial loss on employees' gratuity fund	(10,732)	-	-	(10,732)
Dividend received during the year	76,020	522,867	436,043	1,034,930
Closing balance	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	

Jun-20

	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
.....(Rupees in '000s).....				
Opening balance	73,610	458,085	351,263	882,958
Share of profit for the year	14,200	62,843	59,289	136,332
Share of other comprehensive income of associate	301	-	-	301
Actuarial loss on employees' retirement benefits	-	1,550	(1,568)	(18)
Dividend received during the year	(13,415)	(18,375)	-	(31,790)
Revaluation surplus on property plant and equipment	8,505	-	-	8,505
Closing balance	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	

6.1 Income from associates (CDC & NCCPL) booked on the basis of their management accounts, whereas, PACRA's financials were not ready and provision is booked on the basis of their last year's audited financial.

7 NET INVESTMENT IN FINANCE LEASE

Opening balance	4,282	3,690
Add: unrecognised finance income - prior years	-	592
Add: Finance income for the year	-	343
Less: Rental received during the year	(348)	(343)
	<u>3,934</u>	<u>4,282</u>

8 FINANCIAL ASSETS

Pakistan investment bond	<u>50,749</u>	<u>52,300</u>
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This represents investment in three year Pakistan Investment Bonds maturing as on September 19, 2022 carrying markup of 9% (2020 : 9%).

	Note	September 30,	June 30,
		2020	2020
		Un-Audited	Audited
		(Rupees in '000s)	
<b>9 LONG TERM DEPOSITS</b>			
9.1		1,762	1,762
9.1	These represents security deposits given to companies against provision of utilities and services amounting to Rs. 1.224 million (2020 : Rs. 1.224 million), security deposits against trading floors in Sialkot amounting to Rs. 0.288 million (2020: Rs. 0.288 million) and security deposit for MTS trading amounting to Rs. 0.250 million (2020: 0.250 million).		
<b>10 TRADE AND OTHER RECIEVABLES - considered good</b>			
Trade receivables	10.1	7,201	3,546
Other receivables			
From related parties - secured	10.2	2,043	2,137
Accrued mark-up		2,792	2,999
Others	10.3	14,835	13,735
		<u>26,871</u>	<u>22,417</u>
10.1 Trade receivables from ex - members / TREC holders			
Considered good		7,201	3,546
Considered doubtful		15,403	15,308
Less: Provision against doubtful receivables	10.1.1	<u>(15,403)</u>	<u>(15,308)</u>
		<u>7,201</u>	<u>3,546</u>
10.1.1 Movement for the year			
Opening balance		15,308	10,309
Provision for the year - Net		95	4,999
Closing balance		<u>15,403</u>	<u>15,308</u>
10.2 Other receivables from related parties:			
MCF Trust Fund		202	215
IPF Trust Fund		594	630
TCF Trust Fund		947	992
National Clearing Company of Pakistan Limited		144	144
Central Depository Company of Pakistan Limited		156	156
		<u>2,043</u>	<u>2,137</u>
10.2.1	This represents receivable in respect of fund management services. There is no security for these receivables. The maximum aggregate amount outstanding at any time during the year from MCF Trust Fund, IPF Trust Fund and TCF Trust Fund was Rs. 0.202 million, Rs. 0.594 million and Rs. 0.947 million respectively at the end of a month.		
10.3 Others:			
-Considered good		14,835	13,735
-Considered doubtful		2,178	2,178
		<u>17,013</u>	<u>15,913</u>
Less: provision against doubtful receivables		<u>2,178</u>	<u>2,178</u>
		<u>14,835</u>	<u>13,735</u>
<b>11 ADVANCES AND PREPAYMENTS</b>			
Considered good		406	485
Advances to employees - secured		3,822	2,460
Prepaid expenses		4,228	2,945
<b>12 FINANCIAL ASSETS</b>			
Investment in MTS	12.1	346,076	370,027
Government treasury bills	12.2	25,908	25,908
Held for trading			
Equity shares of Pakistan Mercantile Exchange Limited (PMEX)		18,932	18,932
Equity shares of Institute of Financial Market of Pakistan			
		<u>390,915</u>	<u>414,867</u>
12.1	These carry average mark-up up to 10 % p.a. The marginal trading contract period is for maximum 60 days.		
12.2	This represents investment in treasury bills of six months carried mark-up @ 7.40% p.a. (2020: @ 7.40% p.a.). A T-bill of Rs. 25 million has been lien marked against Bank Guarantee issued in favour of NCCPL as margin exposure for Margin Trading System. The said bank guarantee has been issued by MCB bank Limited.		

		September 30, 2020	June 30, 2020
	Note	Un-Audited	Audited
(Rupees in '000s)			
<b>13 ADVANCE INCOME TAX</b>			
Wealth tax paid:			
- under protest		10,063	10,063
- with returns		461	461
		10,524	10,524
Less: provision for wealth tax		3,728	3,728
		6,796	6,796
Income tax deducted at source during the year		36,236	51,263
Less: written off		-	(3,019)
Provision of income tax for the year		(6,286)	(19,132)
		36,746	35,908
13.1	The Income Tax Appellate Tribunal, vide its order dated June 03, 2003, for the Assessment years 1992-93 and 1994-95 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963.		
13.2	The Department has filed a writ petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The petition is pending adjudication.		
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		100	100
Cash at banks on :			
-Current accounts		155	153
-Saving accounts	14.1	107,889	69,479
		108,044	69,632
		108,144	69,732
14.1	These carry mark-up @ 5.50% p.a. (2020: 6.5% to 10.25% p.a.). Further, saving account includes the unpaid dividend amounting to Rs. 32.058 million (2020: 33.208 million)		
<b>15 SHARE CAPITAL</b>			
<b>Authorized share capital</b>			
Authorized share capital comprises of 200,000,000 (2019: 200,000,000) Ordinary shares of Rs. 10 each.			
<b>Issued, subscribed and paid up capital</b>			
		2020	2019
		(Number of shares)	
		128,284,200	128,284,200
		Ordinary shares of Rs. 10/- each issued for consideration other than cash	
	15.1	1,282,842	1,282,842
15.1	On August 15, 2012, in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 ("The Act"), 128,284,200 shares were allotted to the initial share holders of the Company. These shares are blocked under the Non Banking Finance Companies (NBFC) Rules, 2003.		
15.2	No associated undertaking holds any share in the Company.		
<b>16 BUILDING RESERVE FUND</b>			
	16.1	500	-
16.1	During the current year, with the approval of the Board of Directors, the Company has created a "Building Reserve Fund" with initial allocation of Rs. 0.50 million. Further 2% of rental income shall be allocated to this fund on annual basis.		
<b>17 DEFERRED TAXATION</b>			
	17.1	126,472	121,760
17.1	The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.		
<b>18 TRADE AND OTHER PAYABLES</b>			
		September 30, 2020	June 30, 2020
	Note	Un-Audited	Audited
(Rupees in '000s)			
Trade creditors		15,555	15,875
Accrued liabilities		3,345	14,479
Due to members		2,158	2,158
Advance rent received from tenants		14,610	11,434
Defaulted members' membership sale proceeds	18.1	52,571	44,131
Advances received from members and companies		5,216	5,123
Retention money		1,694	2,982
Payables related to discontinued operations		16,388	16,828
PRA sales tax payable		384	778
		111,920	113,788
18.1	This represents amounts realized through auctions of the defaulted members' memberships & assets. The proceeds have been retained by the Company upon direction of relevant Authorities for settlement of claims against these defaulted members.		

19 UNPAID/ UNCLAIMED DIVIDEND

Un-paid dividend	26,395	26,476
Un-Claimed dividend	5,663	6,732
	<u>32,058</u>	<u>33,208</u>

19.1 The unpaid dividend (profit bearing) account has been opened in designated bank and during the current period the profit earned -net on this account is Rs. 0.177 million. The income has been clubbed under the head other income in note # 22. Further during the period, an amount of Rs.1.150 million has been paid to the claimants of unpaid dividend accounts . No amount has been paid for CSR.

		September 30, 2020	September 30, 2019
		Un-Audited	Un-Audited
(Rupees in '000s)			
20 REVENUE (MTS)	20.1	<u>9,577</u>	<u>13,519</u>

20.1 This represents income earned on investment made in Marginal Trading System (MTS) of National Clearing Company of Pakistan Limited (NCCPL).

20.2 These carry average mark-up up to 10.00 p.a. The marginal trading contract period is for maximum 60 days.

21 RENTAL INCOME

		September 30, 2020	September 30, 2019
		Un-Audited	Un-Audited
Tenants	21.1	<u>12,084</u>	<u>11,214</u>

21.1 Rental income earned from investment property and roof top antenaeas.

22 OTHER INCOME

*Income from financial assets*

*Short term investments*

Profit on saving bank accounts  
Treasury bills  
Government securities

505	2,304
759	2,081
1,125	150
<u>2,388</u>	<u>4,535</u>

*Income from non - financial assets*

Fund management fee  
Room maintenance fee  
Software revenue  
Miscellaneous

4,493	4,250
5,456	5,402
981	750
3,225	1,563
<u>14,155</u>	<u>11,965</u>
<u>16,544</u>	<u>16,500</u>

22.1 This represents fund management & operational fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the period ended September 30, 2020. Fund management & operational fee is calculated at the rate of 2.00% on closing net assets of the fund as per management accounts.

		September 30, 2020	September 30, 2019
		Un-Audited	Un-Audited
(Rupees in '000s)			
23 ADMINISTRATIVE AND GENERAL EXPENSES	23.1		
Salaries and benefits		7,299	6,935
Information technology related expenses		706	393
Insurance		270	313
Travelling and conveyance		366	491
Printing and stationery		173	120
Utilities		876	1,816
Communication and public relations		592	569
Repair and maintenance		2,165	1,989
Security expenses		1,401	1,315
Legal and professional charges		294	149
Consultancy charges		410	604
MTS charges		1,002	928
Fee and subscription		228	243
Rent, rates and taxes		456	539
Marketing and advertisement		77	12
Auditors' remuneration		113	113
Board meetings fee expenses		1,520	2,200
Provision against doubtful trade and other receivables - Net		95	2,166
Others		132	175
Depreciation		5,334	5,574
		<u>23,508</u>	<u>26,644</u>

23.1 Salaries and benefits include Rs. 0.322 million (2019: Rs. 0.261 million ) in respect of contribution to provident fund - a related party.

## 24 TAXATION

Current  
Deferred

September 30, 2020	September 30, 2019
Un-Audited	Un-Audited
(Rupees in '000s)	
6,286	4,997
5,163	6,196
<u>11,448</u>	<u>11,193</u>

## 25 EARNINGS PER SHARE

Basic earnings / (loss) per share

Profit after tax attributable to ordinary shareholders

(Rupees in thousand)

52,599

30,915

Weighted average number of shares outstanding during the year

(Number of shares in thousand)

128,284128,284

Earnings per share

(Rupees)

0.410.24

## 26 MOVEMENT IN WORKING CAPITAL

(Increase) / decrease in current assets:

Stores and spares

- Trade and other receivables

- Advances and prepayments

Increase / (decrease) in current liabilities:

- Trade and other payables

September 30, 2020	June 30, 2020
Un-Audited	Audited
(Rupees in '000s)	
435	114
(4,756)	14,436
(1,283)	(427)
(5,604)	14,123
(6,341)	(22,916)
<u>(11,945)</u>	<u>(8,793)</u>

## 27 TRANSACTION WITH RELATED PARTY

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Balances with related parties are disclosed in respective notes to these financial statements, whereas, significant transactions with these related parties during the year are as under:

Name of Related Party	Relationship and percentage	Transactions during the year	Sep 2020	Sep 2019
			(Rupees in '000s)	
National Clearing Company of Pakistan	23.53%	Provision of facilities	619	466
		Reimbursement of facilities	520	793
		Income from Margin trading system	9,577	13,519
		Trading charges	1,002	928
Central Depository Company of Pakistan	10%	Provision of facilities	1,150	950
		Reimbursement of facilities	931	1,171
Pakistan Credit Rating Agency Limited	36%	Dividend received	10,732	13,415
Lahore Stock Exchange Limited	Trust	Contribution for the year	322	261
Employees' Provident Fund Trust				
MCF Trust Fund	Associate	Fund management fee	609	573
IPF Trust Fund	Associate	Fund management fee	1,790	1,889
TCF Trust Fund	Associate	Fund management fee	2,827	2,687
Directors	Non-Executive	Utilities	428	378
Directors	Non-Executive	Meeting Fees	1,520	2,200
Directors	Non-Executive	Traveling		45

## 28 Corresponding Figures

In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statement of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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29 General

The figures in this financial information have been rounded off to the nearest thousand Rupee unless otherwise stated.

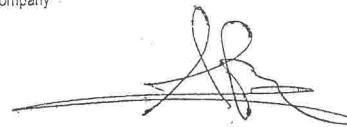
NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on Oct 06, 2020 has proposed a final cash dividend of Rs. 0.70/- or 7% per share for the year ended June 30, 2020 (2019: Rs. 0.80 per share), for approval of the members in the Annual General Meeting.

30 This condensed interim financial information was authorized to issue on 29-10 2020 by the Board of Directors of the company

  
Chief Executive Officer

  
Chief Financial Officer

  
Director