

**ARIF LATIF SECURITIES (PRIVATE)
LIMITED**

**FINANCIALS HALF YEAR ENDED
DECEMBER 31, 2020**

ARIF LATIF SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	456,940	429,940
Intangible	6	3,000,000	3,000,000
Long-term investments	7	19,082,275	19,082,275
Long-term deposits and prepayments	8	1,500,000	1,500,000
Deferred taxation	16	41,325	41,325
		24,080,540	24,053,540
CURRENT ASSETS			
Trade debts - considered good	9	37,712,300	1,291,687
Short term deposits	10	8,000,000	4,000,000
Short term investments	11	24,898,849	19,247,120
Taxation-net	18	-	1,542,856
Cash and bank balances	12	54,479,316	106,656,901
		125,090,465	132,738,564
TOTAL ASSETS		149,171,005	156,792,104
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	35,000,000	35,000,000
Unappropriated profit		11,559,241	8,787,847
		46,559,241	43,787,847
Revaluation surplus	14	19,082,664	19,082,664
Directors' loan	15	-	4,461,699
NON-CURRENT LIABILITIES			
Deferred taxation	16	-	-
CURRENT LIABILITIES			
Trade and other payables	17	83,529,100	89,459,894
Taxation	18	-	-
CONTINGENCIES AND COMMITMENTS			
	19	-	-
TOTAL EQUITY AND LIABILITIES		149,171,005	156,792,104

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

CHIEF EXECUTIVE _____

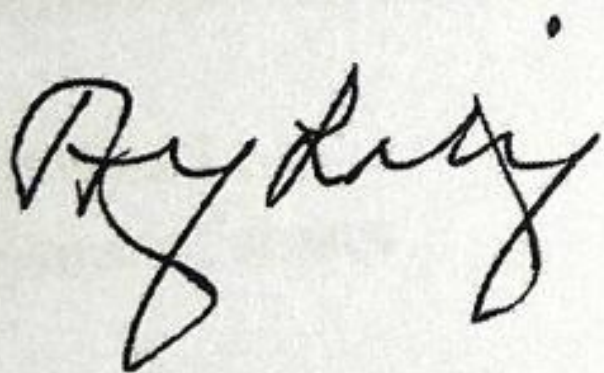


DIRECTOR _____

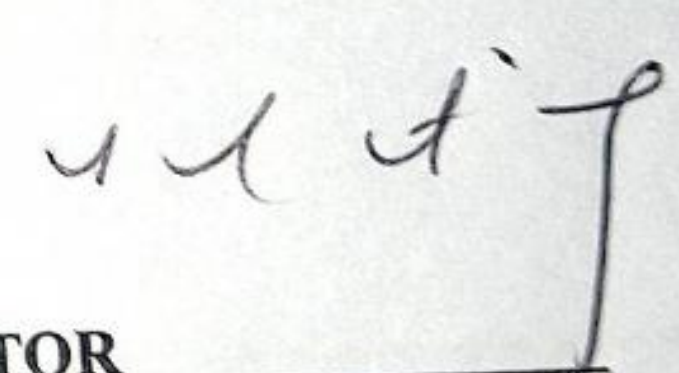
ARIF LATIF SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
REVENUE	20	3,416,925	4,712,939
EXPENSES			
Administrative and general expenses	21	(5,814,447)	(11,141,832)
Profit / (loss) on sale of investment		-	(11,414)
		<u>(2,397,522)</u>	<u>(6,440,307)</u>
Operating loss			
Financial charges	22	(9,008)	(30,108)
Other income	23	3,922,944	8,219,630
		<u>1,516,414</u>	<u>1,749,215</u>
Profit before taxation			
Provision for taxation	24	-	668,630
		<u>1,516,414</u>	<u>2,417,845</u>
(Loss) / profit after taxation			
Other comprehensive income			
Items that may be reclassified to profit and loss account subsequently			
Trading Right Entitlement Certificate (TREC)	14	-	-
Fair value gain / loss on remeasurement of short term investment	14	-	-
Fair value gain / loss on remeasurement of long term investment	14	-	(75,958)
Items that may not be reclassified to profit and loss account subsequently			
Total comprehensive income for the year		<u>1,516,414</u>	<u>2,341,887</u>
Earning per share - basic	25	<u>-</u>	<u>0.69</u>

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


CHIEF EXECUTIVE _____

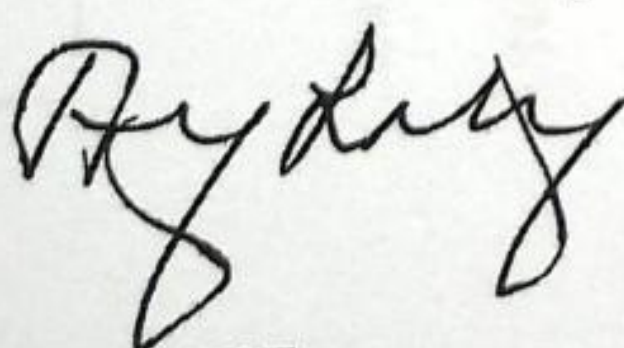



DIRECTOR _____

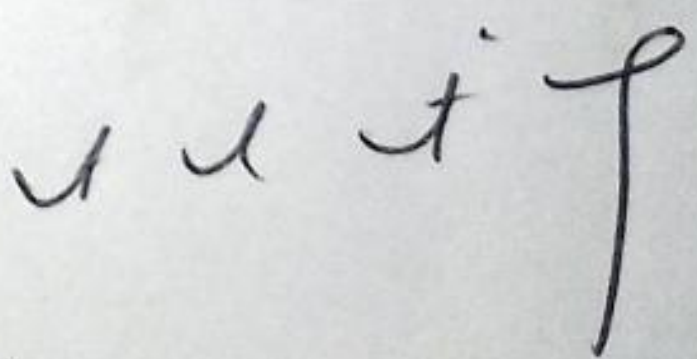
ARIF LATIF SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2020

	Dec-20 RUPEES	Jun-20 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,516,414	1,749,216
<i>Adjustment for non cash items:</i>		
Dividend income	(870,782)	(811,430)
Financial charges	9,008	30,108
Depreciation for the year	-	73,930
	(861,774)	(707,392)
Changes in working capital <i>(Increase)/ decrease in current assets</i>		
Trade debts - considered good	(36,420,613)	(564,297)
Short term deposits	(4,000,000)	(2,000,000)
Short term investments	24,898,849	(1,372,920)
	(15,521,764)	(3,937,217)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(5,930,794)	53,797,971
	(20,797,918)	50,902,578
Net cash inflow / (outflow) from operations		
Income tax paid	-	(1,073,652)
Finance charges paid	(9,008)	(30,108)
	(9,008)	(1,103,760)
Net cash inflow / (outflow) from operating activities	(20,806,926)	49,798,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(217,500)
Long term deposit	-	-
Dividend income	870,782	811,430
Net cash (outflow) / inflow from investing activities	870,782	593,930
CASH FLOWS FROM FINANCING ACTIVITIES		
Directors' Loan	-	-
Issuance of shares	-	-
Net cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(19,936,144)	50,392,748
Cash and cash equivalents at beginning of the year	106,656,901	56,264,153
Cash and cash equivalents at end of the year	86,720,757	106,656,901

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


CHIEF EXECUTIVE




DIRECTOR

ARIF LATIF SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2020

Particulars	Share capital	Unappropriated profit	Revaluation surplus	Directors' loan	Total
	-----RUPEES-----				
Balance as at June 30, 2019	25,000,000	6,716,594	15,424,772	13,261,699	60,403,065
Total comprehensive income for the year	-	(346,594)	-	-	(346,594)
Issue of share capital	10,000,000	-	-	-	10,000,000
Repayment of Loan	-	-	-	(8,800,000)	(8,800,000)
Revaluation surplus	-	-	3,733,849	-	3,733,849
Balance as at June 30, 2019	35,000,000	6,370,001	19,158,621	4,461,699	64,990,321
Total comprehensive income/(Loss) for the year	-	2,417,846	-	-	1,516,414
Issue of share capital	-	-	-	(4,461,699)	(4,461,699)
Repayment of loan	-	-	-	-	-
Revaluation (deficit)/Surplus	-	-	-	-	-
Balance as at December 31, 2020	35,000,000	10,304,261	19,158,621	-	64,462,882

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



[Signature]
 CHIEF EXECUTIVE _____

 DIRECTOR

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Dec-20						WDV As at 31-Dec-20
	Cost			Rate %	Depreciation		
	As at 01-Jul-20	Additions/ (deletions)	As at 31-Dec-20		As at 01-Jul-20	For the year 31-Dec-20	
Furniture and fittings	53,479	-	53,479	10	28,353	-	25,126
Computer equipment	337,847	30,000	367,847	30	188,455	-	179,392
Office equipment	352,936	-	352,936	10	97,514	-	255,422
Total	744,262	30,000	774,262		314,322	-	459,940

Particulars	Jun-20						WDV As at 30-Jun-20
	Cost			Rate %	Depreciation		
	As at 01-Jul-19	Additions/ (deletions)	As at 30-Jun-20		As at 01-Jul-19	For the year 30-Jun-20	
Furniture and fittings	53,479	-	53,479	10	25,561	2,792	25,126
Computer equipment	278,347	59,500	337,847	30	145,697	42,758	149,392
Office equipment	194,936	158,000	352,936	10	69,134	28,380	255,422
Total	526,762	217,500	744,262		240,392	73,930	429,940

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
6 INTANGIBLE			
	6.1	2,500,000	2,500,000
Trading Right Entitlement Certificate (TREC)	6.2	500,000	500,000
Rights to use room		<u>3,000,000</u>	<u>3,000,000</u>
6.1 Opening value	6.1.1	2,500,000	2,500,000
Fair value adjustment		-	-
		<u>2,500,000</u>	<u>2,500,000</u>
<p>6.1.1 This represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited after the merger of all the three exchanges of Pakistan in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of LSE Financial Services Ltd. (formerly LSE) after completion of the demutualization process.</p> <p>The notional value of TREC was Rs. 2,500,000 as per notice of PSX/N-7178 dated November 10, 2017.</p>			
<p>6.2 This represent cost of leasehold right to use room given by Pakistan Stock Exchange for indefinite useful life as per notice of LSE no. LSE-4757 dated November 12, 2009. This is considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.</p>			
7 LONG-TERM INVESTMENTS - AVAILABLE FOR SALE			
	7.1	<u>19,082,275</u>	<u>19,082,275</u>
LSE Financial Services Ltd. (formerly LSE)			
843,975 (2018: 843,975) shares			
7.1 Opening		19,082,275	19,158,233
Fair value adjustment		-	(75,958)
		<u>19,082,275</u>	<u>19,082,275</u>
<p>7.1.1 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a Stock Exchange had been segregated from the right to trade on the Exchange. Accordingly, the Company had received equity shares of LSE and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of LSE. The company's entitlement in respect of LSE's share is determined on the basis of valuation of assets and liabilities of LSE as approved by the SECP and the company had been allotted 843,975 shares of the face value of Rs. 10 each out of which 506,385 shares in the name of Chief Executive of the company are kept in blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization.</p> <p>The Company has pledged / hypothecated 337,490 shares of Lahore Stock Exchange Limited and Trading Right Entitlement Certificate as referred to note no. 6 to the financial statements.</p>			
8 LONG-TERM DEPOSITS AND PREPAYMENTS			
		100,000	100,000
Central Depository Company of Pakistan (CDC)		1,400,000	1,400,000
National Clearing Company of Pakistan (NCCPL)		<u>1,500,000</u>	<u>1,500,000</u>
8.1 These are non-interest bearing deposits under statutory obligations.			
9 TRADE DEBTS - Considered Good			
		<u>37,712,300</u>	<u>1,291,687</u>
Trade receivable			
9.1 This includes trading account due from related party amounting to Rs. 20,968 (June 30, 2019: Rs. 20968)			
9.2 The management believes that no impairment / provision is necessary in respect of trade debts as there are reasonable grounds to believe that amount will be recovered in the future.			

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
10 SHORT TERM DEPOSITS			
Pakistan Stock Exchange Limited (PSX)		8,000,000	4,000,000
		<u>8,000,000</u>	<u>4,000,000</u>

11 SHORT TERM INVESTMENTS

T-BILL		-	19,247,120
NIL (June 30, 2019: 400,000) Lotte Chemical Pakistan Limited		-	-
NIL (June 30, 2019: 20,000) Nishat Chunian		-	-
NIL (June 30, 2019: 40,000) National Refinery Limited		-	-
10,000 (June 30, 2019: NIL) Searle Pak		24,898,849	-
NIL June 30, 2019 : 25,000) Sui Northern Gas Pipelines Limited		-	-
		<u>24,898,849</u>	<u>19,247,120</u>
Fair value adjustment		-	-
Investment in listed securities		<u>24,898,849</u>	<u>19,247,120</u>

11.1 These represent investments in listed securities and have been classified as available for sale financial assets.

12 CASH AND BANK BALANCES

Cash in hand		70,212	70,212
Cash at bank:			
Broker's account - saving account		14,032,715	11,606,743
Client's account - saving account	12.1	40,376,389	94,979,946
		54,409,104	106,586,689
Investment in T-bills		-	-
		<u>54,479,316</u>	<u>106,656,901</u>

12.1 The saving accounts carries markup ranging from 3% to 3.5% (June 30, 2019: 3% to 3.5%) per annum.

13 SHARE CAPITAL

Authorized share capital

3,500,000 (June 30, 2019 : 3,500,000/-) ordinary shares of Rs 10/- each fully paid in cash

<u>35,000,000</u>	<u>35,000,000</u>
-------------------	-------------------

Issued, subscribed and paid-up capital

3,500,000 (June 30, 2019 : 3,500,000/-) ordinary shares of Rs 10/- each fully paid in cash

<u>3,500,000</u>	<u>35,000,000</u>
------------------	-------------------

13.1 Pattern of share holding

Name	Share holders	Number of shares held	Percentage
Arif Latif	Director	3,150,000	90.00%
Atif Latif	Director	175,000	5.00%
Adeel Arif	Director	175,000	5.00%
Total number of shares		<u>3,500,000</u>	<u>100%</u>

14 REVALUATION SURPLUS

Opening balance

Trading Right Entitlement Certificate (TREC)

LSE Financial Services Limited (formerly LSE)

Revaluation profit / (loss) on short term investments

		19,082,664	19,158,622
		-	-
14.1		-	-
11		-	(75,958)
		<u>19,082,664</u>	<u>19,082,664</u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
14.1			
The Pakistan Stock Exchange has revised the breakup value per share of LSE shares to Rs. 22.61/(June 30, 2019: 22.70)share as per notice LSEFSL/7799 of LSE Financial Services Limited dated Mrrch 02,2020 which has resulted in fair value adjustment at year end of Rs.(75958)/-			
15			4,461,699
<u>DIRECTORS' LOAN</u>			
This represents unsecured contractual loan injected by the Directors of the company at NIL mark up basis and is repayable upon the financial ease of the Company. The TR 32 specifies that the directors' loan which is interest free and repayable at the discretion of the entity does not pass the test of liability and thus, is to be recorded as equity at face value.			
16			
<u>DEFERRED TAX</u>			
<i>Deferred credits/ (debits) arising due to:</i>			
	16.1	-	41,325
Accelerated tax depreciation and revaluation of investment			
16.1		41,325	
Opening balance			
Movement during the year			
		41,325	41,325
Closing balance			
17			
<u>TRADE AND OTHER PAYABLES</u>			
		82,800,782	87,699,583
	17.1	728,318	760,311
Trade payables			
Accrued liabilities			
Other payables			
		83,529,100	89,459,894
17.1			
<u>ACCRUED LIABILITIES</u>			
			110,000
Audit fee payable			
		728,318	650,311
Expenses payable			
		728,318	760,311
18			
<u>TAXATION-NET</u>			
		-	180,711
Opening (receivable) / payable			
		-	(1,073,652)
Add: Tax paid / deducted during the year			
		-	(892,941)
Less: Provision for tax			
		-	436,673
		-	(1,086,588)
		-	(649,915)
		-	(1,542,856)
Closing (receivable) / payable			
18.1			
Numerical reconciliation between average effective tax rate and the applicable tax rate.			
		%	%
		25.00	29.00
Applicable tax rate			
		0.00%	-62.12%
		0.00%	24.96%
		0.00%	-37.15%
Effect of prior year taxation			
Effect of admissible / (Inadmissble) and FTR			
Effective tax rate			
18.2			
The provision for current year tax represent tax on taxable income at the rate of 25%. According to management, the tax provision made in the financial statements is sufficient.			

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
19 CONTINGENCIES AND COMMITMENTS			
CONTINGENCIES:			
There are no contingencies as at December 31, 2019 (June 30, 2019: nil).			
COMMITMENTS:			
The company has lien the TRE certificate's Pakistan Stock Exchange and 337,590 number of shares with Pakistan Stock Exchange in compliance with Base Minimum Capital (BMC) requirement under the regulations governing risk management of PSX.			
20 REVENUE			
Gross commission		3,416,925	4,525,750
Sales tax on services		(546,708)	(624,241)
Net commission		<u>2,870,217</u>	<u>3,901,509</u>
Dividend income		870,782	811,430
		<u><u>3,740,999</u></u>	<u><u>4,712,939</u></u>
21 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and benefits	21.1	3,452,245	7,589,600
Legal and professional charges		138,656	376,310
Auditors' remuneration			110,000
Fee and subscription			851,798
Electricity		297,316	211,947
Rent, rates and taxes		1,771,874	809,489
Insurance			4,221
Communication expense		71,131	69,313
Entertainment expense			93,463
Postage			46,202
Travelling and conveyance			502,879
Depreciation	5	-	73,930
Miscellaneous		83,225	432,680
		<u><u>5,814,447</u></u>	<u><u>11,141,832</u></u>
21.1 Salaries, wages and benefits includes remuneration of chief executive and directors whose breakup is as follows:			
		Chief Executive	Director
Managerial remuneration		600,000	1,543,500
		<u><u>2,143,500</u></u>	<u><u>4,404,602</u></u>
Number of persons		1	2
		<u><u>3</u></u>	<u><u>3</u></u>
22 FINANCIAL CHARGES			
Bank charges		<u><u>9,008</u></u>	<u><u>30,108</u></u>

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
23 OTHER INCOME			
Bank profit		3,922,944	7,319,489
Service income		-	300,141
Profit on Investment		-	-
		<u>3,922,944</u>	<u>8,219,630</u>
24 PROVISION FOR TAXATION			
Current		-	436,673
Prior year		-	(1,086,588)
Deferred		-	(18,715)
		<u>-</u>	<u>(668,630)</u>
25 EARNING PER SHARE - BASIC			
Weighted average number of ordinary shares outstanding during the year		<u>3,400,000</u>	<u>3,500,000</u>
Profit after taxation		<u>-</u>	<u>2,417,816</u>
Earning per share - basic		<u>-</u>	<u>(0.11)</u>

25.1 Diluted earnings per share

No figure for diluted earning per share has been presented as the company has not issued any instrument carrying options which would have an impact on earning per share when exercised.

26 RELATED PARTIES TRANSACTIONS

Amounts due from and to related parties are shown under respective notes to the financial statements. Remuneration of directors and key management personnel is disclosed in Note 21.1. Other significant transactions with related parties are as follows:

Name and basis of relationship	Nature of transaction	Percentage of shareholding	2020	2019
i) Mr. Arif Latif - CEO / Director	Director's loan	90.00%	-	-
	Trade debts		-	-
	Trade payables		47,082,175	1,468,902
ii) Mrs. Seemi Arif Latif - Director's spouse	Trade payables	Nil	35,985,146	22,850,799
iii) Mr. Adeel Arif - Director	Trade receivable	5%	10,610	-
iv) Mr. Atif Arif - Director	Trade payables	5%	25,255	44,619
v) Mrs. Sobia Atif - Director's spouse	Trade payables	Nil	53,741	53,741

ARIF LATIF SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	NOTE	Dec-20 RUPEES	Jun-20 RUPEES
27	<u>NUMBER OF EMPLOYEES</u>		
	Number of employees as at year end	<u>5</u>	<u>5</u>
	Average number of employees during the year	<u>5</u>	<u>5</u>
27.1	Average and number of employees during the year in factory not applicable to the company.		
28	<u>DATE OF AUTHORIZATION FOR ISSUE</u>		
	These financial statements were authorized for issue on _____ by the Board of Directors.		
29	<u>GENERAL</u>		
	<ul style="list-style-type: none"> - Figures have been rounded off to the nearest rupee, unless otherwise stated. - Corresponding figures, where necessary, have been rearranged for the purpose of comparison. 		
30	<u>CAPITAL ADEQUACY LEVEL</u>		
	Total Assets	149,171,005	156,792,104
	Less: Total liabilities	(83,529,100)	(89,459,894)
	Less: Revaluation Reserves (Created upon revaluation of fixed assets)	(19,082,664)	(19,082,664)
	Capital Adequacy Level	<u>46,559,241</u>	<u>48,249,546</u>
30.1	While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by M/s. Arif Latif Securities (Pvt.) Limited as at year ended December 31, 2020 as determined by Pakistan Stock Exchange has been		

CHIEF EXECUTIVE _____

[Handwritten Signature]



DIRECTOR _____

[Handwritten Signature]