

**MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	December 2020 Rupees	June 2020 Rupees
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	3,602,152	3,800,486
Intangible asset	2,500,000	2,500,000
Long term investment	-	-
Long term deposits	600,000	600,000
	<b>6,702,152</b>	<b>6,900,486</b>
<b>Current assets</b>		
Trade debts	9,317,416	8,882,330
Other receivables	67,338	68,890
Advance tax-net of provision	3,713,750	5,253,320
Short term investment	57,120,609	48,193,127
Bank balances	12,017,126	10,020,622
	<b>82,236,239</b>	<b>72,418,289</b>
<b>Total assets</b>	<b>88,938,391</b>	<b>79,318,775</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorized capital</b>		
5,500,000 (June 2020: 5,500,000) ordinary shares of Rs. 10 each	55,000,000	55,000,000
Issued, subscribed and paid up capital	55,000,000	55,000,000
Advance against issue of shares	10,000	10,000
Unappropriated profit	20,908,750	13,368,782
Unrealised gain on remeasurement of available for sale investments	-	-
<b>Total equity</b>	<b>75,918,750</b>	<b>68,378,782</b>
<b>Current liabilities</b>		
Trade and other payables	13,019,641	10,939,993
<b>Total equity and liabilities</b>	<b>88,938,391</b>	<b>79,318,775</b>
Contingencies and commitments	-	-

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	December 2020 Rupees	December 2019 Rupees
Operating revenue	2,606,582	1,396,405
Capital (Loss) / gain on sale of investments	-	(696,324)
Impairment loss on Trading Right Entitlement Certificate	-	-
Loss on re-measurement of investments- at fair value through profit or loss	6,179,006	13,203,182
	<u>8,785,588</u>	<u>13,903,263</u>
Operating and administrative expenses	<u>(3,573,170)</u>	<u>(4,100,395)</u>
<b>Operating (loss) / profit</b>	<b>5,212,418</b>	<b>9,802,868</b>
Finance cost	(339)	(339)
Other income	2,327,819	3,067,872
<b>(Loss) / profit before taxation</b>	<u>7,539,898</u>	<u>12,870,401</u>
Taxation	-	-
<b>(Loss) / profit for the half year</b>	<u><u>7,539,898</u></u>	<u><u>12,870,401</u></u>
<b>(Loss) / earnings per share - basic and diluted</b>	<u><u>0.14</u></u>	<u><u>0.23</u></u>



CHIEF EXECUTIVE



  
DIRECTOR

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 2020 Rupees	December 2019 Rupees
(Loss) / profit for the half year	7,539,898	12,870,401
Unrealised (loss) / gain on re-measurement of 'available for sale' investments	-	(562,221)
<b>Total comprehensive (loss) / income for the half year</b>	<b><u>7,539,898</u></b>	<b><u>12,308,180</u></b>



CHIEF EXECUTIVE



DIRECTOR

**MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Issued, Subscribed and paid up capital	Advance against issue of shares	Un- appropriated Profit	Unrealised gain on remeasurement of investments	Total
	----- Rupees -----				
Balance as at June 30, 2019	55,000,000	10,000	8,690,338	11,424,760	75,125,098
Sale of shares				(7,582,007)	
Total comprehensive loss for the half year ended December 31, 2019	-	-	12,870,401	(562,221)	12,308,180
<b>Balance as at December 31, 2019</b>	<b>55,000,000</b>	<b>10,000</b>	<b>21,560,739</b>	<b>3,280,532</b>	<b>87,433,278</b>
Balance as at June 30, 2020	55,000,000	10,000	13,368,782	-	68,378,782
Total comprehensive loss for the half year ended December 31, 2020	-	-	7,539,898	-	7,539,898
<b>Balance as at December 31, 2020</b>	<b>55,000,000</b>	<b>10,000</b>	<b>20,908,680</b>	<b>-</b>	<b>75,918,680</b>

*Muhammad Tariq*

CHIEF EXECUTIVE



*Muhammad Tariq*

DIRECTOR



**MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**1 STATUS AND NATURE OF BUSINESS**

Muhammad Tariq Moti Securities (Private) Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on April 9, 2013 as a private limited company. The Company is a corporate TREC holder of Pakistan Stock Exchange Limited. The registered office of the Company is located at Room # 36, 1st Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company include trading and brokerage for equities, underwriting of public issues etc.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements of the Company for the six months period ended December 31, 2020 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) -34 "Interim Financial Reporting" and provisions issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2020

**2.2 Basis of measurement**

The financial statements have been prepared using an accrual basis of accounting except for cash flow statement which is prepared using cash basis.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

**2.4 Significant accounting estimates and judgements**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the following:

- (a) determination of the residual values and useful lives of property and equipments and intangible assets (note 3.1 & 3.2)
- (b) classification of investments (note 3.3)
- (c) current tax and deferred tax (note 3.7)

**Standards and amendments to published approved accounting and reporting standards that are not yet effective:**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

#### **3.1 Property and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any;

Depreciation is charged on WDV of assets capitalized during the year considering the date of purchase and on disposals upto the month immediately preceding the disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;

Gain and losses on disposal of fixed assets, if any, included in profit and loss account currently;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

#### **3.2 Intangible assets**

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

#### **3.3 Investments**

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchase and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and measurement at the time of purchase.

The Company classifies its investments in the following categories.

##### **Financial assets' at fair value through profit or loss-held for trading.**

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss-held for trading'. Subsequent to initial recognition, these investments are marked-to-market and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

##### **Held to maturity investment**

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

### **Available-for-sale**

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available-for-sale'. Subsequent to initial measurement, available-for-sale investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. However, any premium or discount on acquisition of debt securities is amortized and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed of or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued, Fair value of Term Finance Certificates, units of open end Mutual Funds and Government Securities are determined on the basis of rates notified by Mutual Fund Association of Pakistan for Term Finance Certificates, relevant redemption prices for the open-end Mutual Fund and quotations obtained from the PKRV sheets for Government Securities respectively. Unquoted securities are valued at cost.

### **3.4 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- Brokerage income is recognized as and when such services are provided.
- Interest income is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized capital Gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit and loss account for the period in which they arise.

### **3.5 Trade debts**

These are stated at net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

### **3.6 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid investment that are convertible to known amounts of cash and are subject to insignificant risk of change in value, and short-term running finance under mark-up arrangements.

### **3.7 Taxation**

The provision for current taxation is based on taxable income at the current rates of taxation. The company does not provide for deferred taxation as the timing differences are not likely to reverse in the foreseeable future.

### **3.8 Impairment of non-financial assets**

Assets that are subject to depreciation /amortization are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.



**4 NUMBER OF EMPLOYEES**

The total number of employees at the balance sheet date were 6 (2019: 6) and average number of employees during the period were 6 (2019: 6).

**5 DATE OF AUTHORIZATION**

These financial statements were authorized for issue on 01 MAR 2021 by the Board of Directors of the Company.

**6 GENERAL**

The figures have been rounded of to the nearest rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

