



Hamza Farhad Securities (Pvt) Ltd
TRE Certificate Holder of Pakistan Stock Exchange Limited TREC-485

Syed Asgar Abbas Naqvi
Regional Head Pakistan
Stock Exchange

March 1, 2021

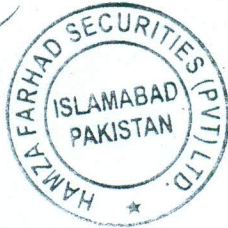
Subject: Submission of Half yearly unaudited Account Dec 31 2020

Dear Sir,

Please find attach half yearly unaudited Account Dec 31 2020.

Regards

Khalid Butt
Chief Executive



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HAMZA FARHAD SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT Dec 31, 2020

	Note	Dec-20	Jun-20
------(Rupees)-----			
Non-Current Assets			
Property and equipment	7	720,595	759,818
Intangible asset	8	2,500,000	2,500,000
Long term investment	9	32,819,235	32,819,235
Long term deposits	10	500,000	500,000
		36,539,830	36,579,053
Current Assets			
Trade debts - net	11	3,639,254	4,724,373
Deposits, prepayments and other receivables	12	8,269,864	3,828,263
Income tax	13	4,257,168	3,927,540
Short term investments	14	948,571	851,200
Cash and bank balances	15	2,212,282	5,570,767
		19,327,139	18,902,143
		<u>55,866,970</u>	<u>55,481,197</u>
Equity and Liabilities			
Share capital	16	55,055,800	55,055,800
Reserves		1,935,283	1,935,283
of investment measured at FVOCI		-	-
Unappropriated profit		(14,902,002)	(14,236,518)
Total equity		42,089,081	42,754,565
Advance against issue of shares		-	-
Non Current Liabilities			
Long term loan - unsecured	17	3,800,000	3,800,000
Deferred tax liability		-	537,922
Current Liabilities			
Trade and other payables	18	9,977,888	8,388,709
Provision for taxation - net	19	-	-
		9,977,888	8,388,709
Contingencies and commitments	20	-	-
		<u>55,866,970</u>	<u>55,481,197</u>

Chief Executive



HAMZA FARHAD SECURITIES (PVT) LIMITED
INCOME STATEMENT
FOR THE PERIOD ENDED Dec 31, 2020

	Note	Dec-20	Jun-20
		------(Rupees)-----	
Revenue	21	4,606,006	2,949,195
Remuerment Classified at FVTPL		(2,544,673)	(4,518,947)
Unrealized gain on short-term investments		36,150	
		<u>2,097,483</u>	<u>(1,569,752)</u>
Operating and administrative expenses	22	(4,252,361)	(2,732,604)
Operating Profit/(loss)		<u>(2,154,878)</u>	<u>(4,302,356)</u>
Finance charges	23	5,558	
Other income / (loss)	24	1,324,670	-
Profit/(Loss) before taxation		<u>(824,650)</u>	<u>(4,302,356)</u>
Taxation			
- Current tax expense	25	(159,165)	(159,165)
- Deferred tax expense		(159,165)	(159,165)
Profit/(Loss) for the year, after taxation		<u><u>(665,485)</u></u>	<u><u>(4,461,521)</u></u>


 Chief Executive



HAMZA FARHAD SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED Dec 31, 2020

	Share capital	Capital Reserve	Fair value reserve	Unappropriated profit	Total
	------(Rupees)-----				
Balance as at 30 Jun 2019	23,510,000	4,571,062	13,435,011	(9,774,997)	31,741,077
Shares issued during year	31,545,800	-	-	-	31,545,800
Unwind of discount on long-term loan	-	-	-	(4,461,521)	(4,461,521)
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Balance as at 30 Jun 2020	55,055,800	4,571,062	13,435,011	(14,236,518)	58,825,356
Shares issued during year	-	-	-	-	-
Unwind of discount on long-term loan	-	-	-	1,895,332	1,895,332
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Balance as at 30 Sep 2020	55,055,800	4,571,062	13,435,011	(12,341,185)	60,720,689
Shares issued during year	-	-	-	-	-
Unwind of discount on long-term loan	-	-	-	(2,560,817)	(2,560,817)
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 Dec 2020	55,055,800	4,571,062	13,435,011	(14,902,002)	58,159,871


CHIEF EXECUTIVE



7 PROPERTY AND EQUIPMENT

	As at 1 July 2020	Additions/ (Deletions)	As at 31 Dec 2020	As at 31 Dec 2019	Adjustments	For the period	As at 31 Dec 2020		%age
Computers	104,500	-	104,500	99,000	-	412	99,413	5,087	30
Office Equipment	71,569	-	71,569	43,686	-	1,046	44,732	26,837	15
Furniture and Fixtures	521,848	29,000	550,848	359,036	-	7,193	366,229	184,619	15
Vehicles	1,308,000	-	1,308,000	784,310	-	19,638	803,948	504,052	15
	2,005,917	29,000	2,034,917	1,286,032	-	28,289	1,314,322	720,595	

Rupees

3 INTANGIBLE ASSETS

		Dec 30, 2020	Jun 30, 2019
		----Rupees----	
Trading Right Entitlement Certificate ("TREC")	8.1	2,500,000	2,500,000
Impairment loss	8.2	-	-
		<u>2,500,000</u>	<u>2,500,000</u>

- 8.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee Limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

- 8.2 Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC from PKR 4 million to PKR 2.5 million. As a result, the Company has recognized an impairment loss of PKR 1.5 million during fiscal 2018.

		Dec 31, 2020	Jun 30, 2019
		----Rupees----	
	<i>Note</i>		
9 LONG-TERM INVESTMENTS			
Investments available for sale			
ISE Towers REIT Management Limited - opening	9.1	42,757,556	42,757,556
Adjustment for remeasurement to fair value		-	(9,938,321)
ISE Towers REIT Management Limited - fair value		<u>42,757,556</u>	<u>32,819,235</u>

- 9.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 8.1, the Company received 3,034,603 shares of ISE Towers REIT Management Limited. Of these, 60% (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 1,123,842 shares) were allotted to the Company.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares notified by ISE Towers REIT Management Limited (PKR 14.09 / per share, compared to PKR 10.00 / per share as at June 30, 2017). Remeasurement to fair value resulted in a gain of PKR 12,411,526 (2017: PKR 00).

	Note	Dec 31, 2020	Jun 30, 2020
10 LONG TERM DEPOSITS			
Central Depository Company Limited		100,000	100,000
National Clearing Company of Pakistan Limited		200,000	200,000
Pakistan Stock Exchange Limited		200,000	200,000
		<u>500,000</u>	<u>500,000</u>
11 TRADE DEBTS			
Considered good	11.1	3,639,254	-
Considered doubtful		45,475,868	48,284,392
		<u>49,115,122</u>	<u>48,284,392</u>
Less: Provision for doubtful debts	11.2	(41,836,613)	(43,849,745)
		<u>3,639,254</u>	<u>4,434,647</u>
<p>11.1 The Company holds client-owned securities with a total fair value of PKR 16,449,912 (2017: PKR 108,203,060) as collateral against trade debts. The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.</p>			
<p>11.2 Movement in provision against trade debts is as under:</p>			
Opening balance (as at July 1)		45,475,868	48,284,392
Charged to profit and loss during the year		<u>45,475,868</u>	<u>48,284,392</u>
Amounts written off during the year		<u>45,475,868</u>	<u>48,284,392</u>
Closing balance (as at June 30)		<u>45,475,868</u>	<u>48,284,392</u>
12 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Margin deposits		4,884,735	3,828,263
NCSS receivable		3,385,129	289,726
		<u>8,269,864</u>	<u>4,117,989</u>
13 INCOME TAX REFUNDABLE			
Balance at the beginning of the year		3,953,863	3,953,863
Add: current year additions		303,305	(26,323)
		<u>4,257,168</u>	<u>3,927,540</u>
Less: adjustment against provision for taxation		<u>4,257,168</u>	<u>3,927,540</u>
Balance at the end of the year		<u>4,257,168</u>	<u>3,927,540</u>
14 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Investment in listed securities		948,571	851,200
		<u>948,571</u>	<u>851,200</u>

		Dec 31, 2020	Jun 30, 2020
	<i>Note</i>		
15 CASH AND BANK BALANCES		Dec 31, 2020	Jun 31, 2020
	<i>Note</i>		
Cash in hand		6,317	6,317
Cash at bank:			
Current accounts	15.1	2,205,291	5,563,459
Proprietary accounts		674	991
		<u>2,212,282</u>	<u>5,570,767</u>

16 SHARE CAPITAL

16.1 Authorized capital			
500,000 (2017:500,000) Ordinary Shares of PKR 100/- each		<u>56,000,000</u>	<u>56,000,000</u>
16.2 Issued, subscribed and paid-up share capital			
550558 (2020:) ordinary shares of PKR 100/- each, issued for cash		55,055,800	55,055,800
		<u>55,055,800</u>	<u>55,055,800</u>

16.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage
	Dec-20	Jun-20	
Mr. Khalid Irfan Mehmood Butt	512,708	512,708	83.90%
Ms. Seemal Ruby	37,850	37,850	16.10%
	550,558	550,558	

17 LONG TERM FINANCING

Loan from director - undiscounted value	17.1	3,800,000	3,800,000
Effect of discounting at market interest rate		-	-
		<u>3,800,000</u>	<u>3,800,000</u>

17.1 This represents interest-free, subordinated loans received from directors, repayable by 31 December 2019. The loans, short-term working capital needs, have been discounted at market interest of 11% per annum and difference has been equity under capital reserve.

18 TRADE AND OTHER PAYABLES

	<i>Note</i>		
Trade creditors	18.1	8,576,476	7,419,831
Accrued expenses		1,321,412	968,878
Auditor's remuneration payable		80,000	
Other payables			
		<u>9,977,888</u>	<u>8,388,709</u>

18.1 Trade payables include PKR 1,835,765 due to related parties.

19 PROVISION FOR TAXATION

Balance at the beginning of the year			
Add: current year provision			
Less: adjustment against advance tax			
Balance at the end of the year			

Dec 31, 2020

Jun 30, 2020

Note

20 CONTINGENCIES AND COMMITMENTS**20.1** There are no contingencies or commitments of the Company as at June 30, 2018 (2017: None)**21 OPERATING REVENUE**

Brokerage income	3,388,251	2,183,015
Dividend income	1,217,755	766,180
	<u>4,606,006</u>	<u>2,949,195</u>

Dec 31, 2020

Jun 30, 2020

22 ADMINISTRATIVE EXPENSES

Staff salaries, allowances and other benefits	685,453	456,307
Director's remuneration	522,000	870,000
Communication expense	34,398	143,441
Postage and courier charges	-	302
Repair and maintenance	8,419	2,780
Traveling and conveyance		32,627
Entertainment	22,010	5,785
Printing and stationery	15,000	10,015
CDC trading charges	47,204	17,549
Provision for doubtful debts		191,425
Impairment loss on TREC	8.2	
NCCPL trading charges	52,650	133,965
PSX LAGA charges	165,508	130,730
Fees and subscription	10,000	146,269
Legal & professional charges	192,000	63,000
Office rent	100,000	200,000
Donations		
Auditor's remuneration	22.1.	55,000
Utilities		80,000
Others		38,302
Depreciation	7	28,289
		<u>2,056,233</u>
		<u>2,732,604</u>

22.1. Auditor's remuneration

Statutory audit
Certifications and other charges

1,797,814

23 FINANCIAL CHARGES

Bank and other charges	5,558	10,034
	<u>5,558</u>	<u>10,034</u>

Dec 31, 2020

Jun 30, 2020

24 OTHER INCOME

Realized losses on sales of short-term investments	36,150	(4,518,947)
Nccpl Profit on Dfc Exposure	1,288,520	
Sundry / miscellaneous income		-
	<u>1,324,670</u>	<u>-</u>

