

3RD QUARTERLY REPORT
for the Quarter & Nine Months
ended March 31, 2021

BRAINS SECURITIES (PRIVATE) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Chaudhary Zahid Hussain

CHIEF EXECUTIVE

Chaudhary Zahid Hussain

DIRECTORS

Chaudhary Zahid Hussain
Mr. Bashir Ahmed Bajwa

AUDITORS

Amin Mudassar & Co
Chartered Accountants

LEGAL ADVISOR

Mian Asghar Mahmood

BANKERS

Habib Bank Limited
Bank Al-Habib Limited

REGISTERED OFFICE

Room # 613, LSE Building,
19-Khayaban-e-Awan-e-Iqbal,
Lahore.

Tel: +92-42-36300161-3

Website: www.brainssecurities.com

Emai: info@brainssecurities.com



DIRECTORS' REVIEW

I am pleased to present the interim financial results of the Company for the quarter and nine months ended March 31, 2021.

During the quarter, the Company's Brokerage Income was substantially improved as compared to the quarter ended March 31, 2020.

Loss after tax for the quarter is Rs. 6,123 as compared to the loss of the quarter ended March 31, 2020, which was Rs.191,052.

I would like to commend and acknowledge, on behalf of the Board, the devotion and hard work of our employees and all other stakeholders in creating Brains Securities (Pvt) Ltd. what it is today.

For and on behalf of the Board

Lahore
April 23, 2021



Chaudhary Zahid Hussain
Chairman

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021 (Unaudited)

| | (Un-audited) March 31, 2021 Rupees | (Audited) June 30, 2020 Rupees |
|--|---|---|
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property and equipment | 2,159,884 | 2,117,595 |
| Intangible assets | 9,722,488 | 9,740,528 |
| Long term investments | 16,521,957 | 16,521,957 |
| Long term deposits | 1,500,000 | 1,500,000 |
| | 29,904,329 | 29,880,080 |
| CURRENT ASSETS | | |
| Trade debts | 29,638,937 | 11,626,717 |
| Trade deposits ,short term prepayments and current account balance with statutory authorities | 19,955,969 | 6,793,546 |
| Cash and bank balances | 9,985,182 | 7,917,590 |
| | 59,580,088 | 26,337,853 |
| | 89,484,417 | 56,217,933 |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized Share Capital 350,000 ordinary shares of Rs.100 each. | 35,000,000 | 35,000,000 |
| Issued, Subscribed and Paid up Capital 350,000 ordinary shares of Rs.100 each. | 35,000,000 | 35,000,000 |
| Accumulated loss | (778,756) | (11,181,007) |
| Fair Value Adjustment Reserve | 15,211,690 | 15,211,690 |
| | 49,432,934 | 39,030,683 |
| Director's Loan | 1,183,000 | 1,183,000 |
| | 50,615,934 | 40,213,683 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 38,868,483 | 16,004,250 |
| | 38,868,483 | 16,004,250 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 89,484,417 | 56,217,933 |

The annexed notes form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE




DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Unaudited)

| | Nine Months ended March 31 | | Quarter ended March 31 | |
|--|----------------------------|------------------|------------------------|------------------|
| | 2,021 Rupees | 2,020 Rupees | 2,021 Rupees | 2020 Rupees |
| Brokerage and commission | 32,908,923 | 9,571,211 | 16,129,738 | 2,558,433 |
| | 32,908,923 | 9,571,211 | 16,129,738 | 2,558,433 |
| Direct cost | 14,288,065 | 2,462,216 | 9,778,340 | 789,723 |
| | 18,620,858 | 7,108,995 | 6,351,398 | 1,768,710 |
| Operating expenses | 9,307,212 | 6,206,228 | 6,514,621 | 2,066,533 |
| Other (income)/expense | (1,097,010) | (998,277) | (165,425) | (114,297) |
| | 8,210,202 | 5,207,951 | 6,349,196 | 1,952,236 |
| PROFIT/(LOSS) FROM OPERATIONS | 10,410,656 | 1,901,044 | 2,202 | (183,526) |
| Finance cost | 8,404 | 10,318 | 8,325 | 7,526 |
| PROFIT/(LOSS) BEFORE TAXATION | 10,402,252 | 1,890,726 | (6,123) | (191,052) |
| Taxation | 0 | 0 | 0 | 0 |
| (LOSS)/PROFIT FOR THE PERIOD | <u>10,402,252</u> | <u>1,890,726</u> | <u>(6,123)</u> | <u>(191,052)</u> |
| EARNING PER SHARE - BASIC AND DILUTED | <u>29.72</u> | <u>5.40</u> | <u>(0.02)</u> | <u>(0.55)</u> |

The annexed notes form an integral part of the condensed interim financial information.



CHIEF EXECUTIVE




DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Unaudited)

| | Nine Months ended March 31 | | Quarter ended March 31 | |
|--|----------------------------|------------------|------------------------|------------------|
| | 2,021 | 2,020 | 2,021 | 2020 |
| | Rupees | Rupees | Rupees | Rupees |
| Loss for the period | 10,402,252 | 1,890,726 | (6,123) | (191,052) |
| Other comprehensive income/(loss) for the period | - | - | - | - |
| Total comprehensive loss for the period | <u>10,402,252</u> | <u>1,890,726</u> | <u>(6,123)</u> | <u>(191,052)</u> |

The annexed notes form an integral part of the condensed interim financial information.



CHIEF EXECUTIVE




DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Unaudited)

| | Note | Nine Months ended March 31 | |
|---|----------|----------------------------|-------------------|
| | | 2,021 | 2020 |
| | | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(Loss) before taxation | | 10,402,252 | 1,890,726 |
| Adjustments of items not involving movements of cash: | | | |
| Depreciation | | 216,710 | 199,618 |
| Amortization | | 18,040 | 19,547 |
| Finance Cost | | 8,404 | 10,318 |
| | | 243,154 | 229,483 |
| Operating Cash Flows Before Working Capital Changes | | 10,645,406 | 2,120,209 |
| (Increase) / Decrease in Working Capital | | | |
| (Increase) / decrease in current assets | | | |
| Trade Debts | | (18,012,220) | (20,700,898) |
| Trade deposits and short term prepayments | | (13,162,423) | 500,321 |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 22,864,233 | 24,274,437 |
| | | (8,310,410) | 4,073,860 |
| Cash Generated From / (Used in) Operations | | 2,334,996 | 6,194,069 |
| Taxes paid | | - | - |
| Finance Cost Paid | | (8,404) | (10,318) |
| Net cash Flows From Operating Activities | | 2,326,592 | 6,183,751 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed Capital Expenditure | | (259,000) | (267,000) |
| Short Term Investment | | - | - |
| Net Cash Flows From Investing Activities | | (259,000) | (267,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Shares issued during the period | | - | - |
| Director's loan | | - | - |
| Net Cash Flows From Financing Activities | | - | - |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 2,067,592 | 5,916,751 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 7,917,590 | 4,654,404 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | A | 9,985,182 | 10,571,155 |
| A Cash and Cash Equivalents | | | |
| Cash and bank balances | | 9,985,182 | 10,571,155 |
| | | 9,985,182 | 10,571,155 |

The annexed notes form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE




DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Unaudited)

| | Paid up capital | Accumulated loss | Fair Value Adjustment Reserve | Share deposit money | Long Term Loan | Total |
|---|-----------------|------------------|-------------------------------|---------------------|----------------|--------------|
| ----- (R u p e e s) ----- | | | | | | |
| Balance as at July 01, 2017 | 10,000,000 | (1,278,451) | 9,324,718 | 12,500,000 | 1,183,000 | 31,729,267 |
| Share Capital Issued During the Period | 18,700,000 | 0 | 0 | 0 | 0 | 18,700,000 |
| Share Deposit Money | 0 | 0 | 0 | (12,500,000) | 0 | (12,500,000) |
| Director's Loan | 0 | 0 | 0 | 0 | (1,183,000) | (1,183,000) |
| Loss After Taxation | | 1,890,726 | | | | 1,890,726 |
| Other Comprehensive Loss | 0 | 0 | 0 | 0 | | 0 |
| Total Comprehensive Loss for the Period | 0 | 1,890,726 | 0 | 0 | | 1,890,726 |
| Balance as at March 31, 2018 | 28,700,000 | 612,275 | 9,324,718 | 0 | 0 | 38,636,993 |
| Balance as at July 01, 2018 | 35,000,000 | (16,505,711) | 6,735,887 | 0 | 1,183,000 | 26,413,176 |
| Loss After Taxation | 0 | 10,402,252 | 0 | 0 | 0 | 10,402,252 |
| Other Comprehensive Loss | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Comprehensive Loss for the Period | 0 | 10,402,252 | 0 | 0 | | 10,402,252 |
| Balance as at March 31, 2019 | 35,000,000 | (6,103,459) | 6,735,887 | 0 | 1,183,000 | 36,815,428 |
| Balance as at July 01, 2019 | 35,000,000 | (13,194,714) | 15,571,033 | 0 | 1,183,000 | 38,559,319 |
| Loss After Taxation | 0 | 10,402,252 | 0 | 0 | 0 | 10,402,252 |
| Other Comprehensive Loss | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Comprehensive Loss for the Period | 0 | 10,402,252 | 0 | 0 | | 10,402,252 |
| Balance as at March 31, 2020 | 35,000,000 | (2,792,462) | 15,571,033 | 0 | 1,183,000 | 48,961,571 |
| Balance as at July 01, 2020 | 35,000,000 | (11,181,007) | 15,211,690 | 0 | 1,183,000 | 40,213,683 |
| Loss After Taxation | 0 | 10,402,252 | 0 | 0 | 0 | 10,402,252 |
| Other Comprehensive Loss | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Comprehensive Loss for the Period | 0 | 10,402,252 | 0 | 0 | | 10,402,252 |
| Balance as at March 31, 2021 | 35,000,000 | (778,755) | 15,211,690 | 0 | 1,183,000 | 50,615,935 |

The annexed notes form an integral part of the condensed interim financial information.

CHIEF EXECUTIVE




DIRECTOR



BRAINS SECURITIES (PVT) LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Unaudited)

1 COMPANY AND ITS OPERATION

The company was incorporated as Private Limited Company on July 24, 2015 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room # 613, LSE Building, 19-Khayaban-e-Awan-e-Iqbal, Lahore.

The company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter and nine months ended March 31, 2021 has 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 (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This interim financial information is un-audited and is being submitted to shareholders, as required by the Companies Act, 2017.

3 BASIS OF PREPARATION

This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June-30, 2020.

The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2020.



4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2020.

5 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the date of preceding annual financial statements.

6 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2021 by the Board of Directors of the Company.

7 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



CHIEF EXECUTIVE



DIRECTOR