



HALF YEARLY REPORT
DECEMBER 2020

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1. COMPANY INFORMATION

Board of Directors	Lt. Gen. Tariq Waseem Ghazi (Retd.) Mr. Muhammad Najam Ali Mr. Hasan Shahnawaz Mrs. Hanna Khan Mr. M. Zulqarnain Mahmood Khan Mr. Muhammad Zubair Ellahi Mr. Malik Khurram Shahzad	Non-Executive Director, Independent Director, Chairman Executive Director, Chief Executive Officer Non-Executive Director, Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Audit Committee	Mr. Hasan Shahnawaz Mr. M. Zulqarnain Mahmood Khan Mr. Muhammad Zubair Ellahi	Chairman, Independent Director Member Member
Human Resource & Remuneration Committee	Mr. Hasan Shahnawaz Mr. M. Zulqarnain Mahmood Khan Mrs. Hanna Khan	Chairman, Independent Director Member Member
Chief Financial Officer	Ms. Sana Quadri	
Company Secretary	Mr. Mohammad Omair Rashid	
Head of Internal Audit	Mr. Parkash Kukreja	
External Auditors	KPMG Taseer Hadi & Co., Chartered Accountants Sheikh Sultan Trust Building No.2 Beaumont Road, Karachi	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank of Punjab Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited MCB Islamic Bank Habib Bank Limited Sindh Bank Limited	
Tax Advisors	Junaidy, Shoaib, Asad & Co. Chartered Accountants 1/6-P, Block 6, PECHS, Mohtarma Laeeq Begum Road Off Shahrah-e-Faisal, Karachi	
Legal Advisors	Mohsin Tayebaly & Co. Barristers & Advocates 2 nd Floor Dime Centre, BC-4 Block 9 KDA Scheme 5, Clifton, Karachi	
Rating Company	VIS Credit Rating Company (formerly JCR-VIS)	
Share Registrar	FAMCO Associates (Pvt.) Limited 8-F, P.E.C.H.S. Block 6 Shahrah-e-Faisal, Karachi	
Registered Office	2nd Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi-75530, Pakistan.	

2. DIRECTORS' REPORT

Economic Review & Outlook

Pakistan's economy during the period under review witnessed marked improvement as COVID-19 led restrictions came to a halt with majority of the macroeconomic indicators and high frequency data showcased stellar performance on the back of revival in economic activity. On the fiscal front, FBR managed to collect tax amounting to PKR2.19 trillion during the period under review against the target of PKR2.21 trillion. Despite excessive refunds and pandemic relief packages enacted to spur economic activity, tax collection increased by 5% during the period under review over the same period last year.

On external side, Pakistan's Current Account balance remained positive during the first five months of the fiscal year with lower trade deficit and significantly higher remittances from overseas Pakistanis. However, Dec-20 figure turned to deficit of USD0.7 billion (-2.8% of GDP) as imports regained pace with higher international oil prices. Nevertheless, for the cumulative period under review, Current Account balance remains in surplus of USD1.1 billion (0.8% of GDP) compared to a deficit of USD2.0 billion (-1.5% of GDP) during the same period last year. This massive recovery was led by increase in remittances by overseas Pakistanis surging by +25% to USD14.2 billion versus USD11.4 billion during the same period last year. In addition, trade deficit in services also provided some respite decreasing by 42% to USD1 billion. On the contrary, trade deficit in goods worsened by 17% to USD11.4 billion as revival in aggregate demand and spike in international commodity prices raised import bill by 5% to USD23.2 billion during the period under review. On the flip side, country's exports contracted by 5% to USD11.8 billion. Resultantly, by the end of Dec-20 foreign exchange reserves of the country inched up from USD18.9 billion (Jun-20) to USD20.5 billion with SBP maintaining sufficient buffer to cover 3.5 months of import. Likewise PKR strengthened against USD during the period under review, closing at PKR159.83/USD in Dec-20 versus PKR168.05/USD in Jun-20.

On local front, relaxation in lockdown measures since Jul-20 provided impetus to the industry growth with sectors such as construction, textile, food, chemicals, automobile and pharmaceuticals showcasing strong manufacturing activity leading to 7.4% growth in LSM during the period under review. This was corroborated by SBP maintaining its expansionary stance keeping the policy rate 7%. However, owing to supply side pressures, inflation remained on the higher side due to rising food and energy prices, averaging 8.6% during the period under review still lower however, compared to 11.1% during the same period last year.

Going forward we expect pressure on external side to build up gradually as steep rebound in economic activity and rise in import bill with increase in international commodities prices, may fuel external financing requirements. Improvement in remittances and inflows in the recently launched Roshan Digital Accounts from overseas Pakistanis are likely to continue providing a healthy support to the external account and exchange rate. To this end IMF program may most likely come in play paving the way for funding from multilateral agencies and issuance of international bonds and sukuk. In tandem with the program, government may be forced to adopt stringent IMF conditions, raising electricity tariff/taxes, which may lead to higher inflation in short-medium term. Henceforth, a monetary tightening may likely follow suit with central bank gradually raising interest rates, possibly in the latter half of FY21 to gradually achieve mildly positive real interest rates.

Capital Market Review

The KSE100 index witnessed sharp rebound during the period under review spurred by relaxation in lockdown measures followed by revival in economic activity, pandemic led relief measures primarily the construction packages, and with central bank maintaining expansionary stance. Improved investor confidence and cheap valuation led to higher inflows of domestic liquidity in the market with KSE100 Index gaining 60% from its low at 27,267 in Mar-20. During the period under review, the KSE100 Index posted a gain of 27% reaching 43,755 level gaining 9,000 points from Jun-20 closing. Liquidity in the market significantly improved during the period under review with average daily volumes of 447 million shares compared to 185 million shares during the same period last year. Moreover, average daily value traded also increased to USD101 million compared to only USD42 million during the same period last year. Amongst the major sectors, refineries, engineering and

cements outperformed the index while Power generation and distribution, Fertilizer, Commercial banks and Oil & Gas E&P companies were the underperforming sectors.

Going forward, with a healthy result season in sight coupled with increased liquidity, upward revision in growth forecasts and attractive valuations across various sectors, the direction of the market seems upwards with key risks identified as resurgence in COVID-19 cases, harmful side effects of the vaccine, lockdowns in global export destinations of Pakistan, higher international oil prices, spur in food prices, continued selling by foreign investors, and rising energy costs.

Performance Overview:

The following table depicts the Company's performance in the six months under review:

	Dec - 2020	Dec - 2019
	PAK RUPEES	
Accumulated profit/(loss) as at July 01	7,085,268	(9,131,865)
Net Profit for the period	36,359,277	23,266,829
Realized gain on sale of investments carried at FVOCI	5,397,970	-
Accumulated profit/ (loss) as at December 31	48,842,515	14,134,964
Earnings Per Share Rupees	0.81	0.52

The Company posted a pre-tax profit of PKR 45.77 million during the six months period under review as compared to a pre-tax profit of PKR 34.32 million last year in the corresponding period. Overall operating revenues of the company increased by 51% to PKR 174.8 million compared to PKR 115.6 million in the corresponding period of the previous year, 95% of the increase is attributable to the Brokerage income amounting to PKR 136.6 million in total, while Advisory revenue increased to PKR 38.2 million.

Administrative expenses only increased marginally by 14%, whereas operating expenses increased by 39% corresponding to the increase in business activity.

Company has been able to maintain profitability consistently since 2018. Given the macroeconomic indicators remain stable, the Company aims to capitalize the booming market conditions.

For and on behalf of the Board of Directors

Date: February 15, 2021

3. INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Next Capital Limited

Report on review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Next Capital Limited (the Company) as at December 31 2020 and the related condensed interim statement of profit or loss and other comprehensive income condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial information for the six months period then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard on Auditing as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

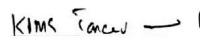
Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim financial information for the quarter ended December 31 2020 have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditors' review report is Muhammad Taufiq.

Date: 15.02.2021
Karachi


KPMG Taseer Hadi & Co.,
Chartered Accountants

4. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020.

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
ASSETS			
Non current assets			
Property and equipment	7	54,614,217	53,730,404
Right of use assets	8	29,681,163	32,924,557
Intangible assets	9	3,500,278	3,536,112
Investment in shares of Pakistan Stock Exchange Limited	10	-	10,703,821
Long term deposits	11	31,800,553	16,713,523
Deferred tax asset		6,025,352	7,226,193
		125,621,563	124,834,610
Current assets			
Short term investments - fair value through profit or loss	12	4,009,645	4,493,995
Investment in Marginal Financing System	13	27,919,047	2,430,138
Trade debts	14	238,695,824	107,805,166
Deposits and prepayments	15	221,437,572	319,231,311
Advances and other receivables	16	4,001,471	4,594,814
Income tax refundable		51,876,972	51,991,461
Cash and bank balances	17	394,371,298	168,718,288
		942,311,829	659,265,173
Total assets		1,067,933,392	784,099,783
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
100,000,000 (30 June 2020: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	18	450,000,000	450,000,000
Discount on issue of shares		(50,000,000)	(50,000,000)
Revenue Reserve			
Unappropriated profit		48,842,515	7,085,268
Fair value reserve		-	(108,119)
		448,842,515	406,977,149
Non-Current liabilities			
Lease Liabilities		25,648,156	32,614,065
Current liabilities			
Unclaimed dividend		3,055,446	3,055,446
Current portion of lease liabilities		10,463,657	7,524,763
Short term borrowing - secured	19	149,996,346	149,996,346
Trade and other payables	20	428,260,605	183,932,014
Contract Liabilities		1,666,667	-
		593,442,721	344,508,569
Contingencies and commitments	21		
Total equity and liabilities		1,067,933,392	784,099,783

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**5. CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2020**

	Note	Six months ended 31 December		Quarter ended 31 December	
		2020	2019	2020	2019
		(Rupees)			
Operating revenue	22	174,797,451	115,651,377	86,212,136	89,497,740
Gain / (loss) on sale of investments		257,825	(456,594)	(1,647)	(59,623)
Operating expenses	23	(82,502,237)	(59,486,859)	(43,859,996)	(36,683,508)
Administrative expenses	24	(48,120,275)	(42,147,719)	(25,873,224)	(21,908,862)
Provision for impairment on trade debts		(1,084,038)	(1,214,061)	1,894,609	(607,031)
Finance cost		(11,524,657)	(8,911,033)	(5,701,335)	(5,518,096)
		31,824,069	3,435,111	12,670,543	24,720,620
Other income	25	13,950,420	30,887,954	8,980,506	15,621,596
Profit before taxation		45,774,489	34,323,065	21,651,049	40,342,216
Taxation	26				
- Current		(11,574,546)	(16,743,515)	(3,836,158)	(13,428,583)
- Prior		3,360,174	3,998,084	3,360,174	3,998,084
- Deferred		(1,200,840)	1,689,195	(1,673,691)	942,837
		(9,415,212)	(11,056,236)	(2,149,675)	(8,487,662)
Profit after taxation		36,359,277	23,266,829	19,501,374	31,854,554
Earnings per share - basic and diluted	27	0.81	0.52	0.43	0.71

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

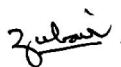
**6. CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2020**

	Six months ended 31 December		Quarter ended 31 December	
	2020	2019	2020	2019
	(Rupees)			
Profit after taxation for the period	36,359,277	23,266,829	19,501,374	31,854,554
Other comprehensive income:				
<i>Items that may not be reclassified to profit and loss account</i>				
Unrealized gain on remeasurement of investment carried at FVTOCI	-	(562,221)	-	7,589,982
Realized gain on remeasurement of investment carried at FVTOCI	5,506,089	-	5,506,089	-
	5,506,089	(562,221)	5,506,089	7,589,982
Total comprehensive income for the period	41,865,366	22,704,608	25,007,463	39,444,536

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

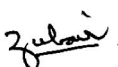
7. CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

		Six months ended	
	Note	31 December 2020	31 December 2019
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,774,489	34,323,065
Adjustments for:			
Depreciation of property and equipment	7.1	7,381,335	10,163,966
Amortisation of intangible assets	9.2	35,834	189,166
Depreciation of right of use assets	8	3,243,394	-
Capital (gain) / loss on sale of investments		(257,825)	456,594
Markup on bank balances	25	(7,967,753)	(10,593,803)
Markup on investment in Margin Financing System	25	(247,868)	(1,654,789)
Markup on investment in Margin Trading System	25	-	(1,169,950)
Markup on investment in T-Bill	25	-	(1,838,202)
Profit on exposure margin	25	(5,447,871)	(15,229,312)
Impact of IFRS 16	25	-	(1,329,008)
Unwinding of security deposit		(87,030)	(100,474)
Finance cost		11,524,657	8,911,034
		8,176,873	(12,194,778)
Cash flows before working capital changes		53,951,362	22,128,287
Working capital changes			
(Increase) / decrease in current assets			
Trade debts		(131,974,696)	42,312,618
Deposits and prepayments		97,793,739	138,196,091
Advances and other receivables		593,343	(1,316,826)
		(33,587,614)	179,191,893
Increase / (decrease) in current liabilities			
Trade and other payables		244,216,131	(28,563,955)
Other liabilities		1,666,667	36,053,751
Contract Liabilities		245,882,798	(666,667)
		6,823,129	
Cash generated from operations		266,246,546	208,143,299
Finance cost paid		(4,527,494)	(8,911,033)
Taxes paid		(8,099,883)	(5,346,903)
Net cash generated from operating activities		253,619,169	193,885,363
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	7.1	(8,265,148)	(44,939,058)
Payment for software purchase		-	(50,000)
Payment against investment in Marginal Financing System		(183,264,047)	83,619,009
Receipts against investment in Marginal Financing System		157,775,139	(87,376,395)
Short term investments made during the period		(175,856,576)	(54,168,246)
Short term investments disposed off during the period		159,606,576	34,750,000
Proceeds from sale of PSX shares		16,326,029	-
Markup received on bank deposits		7,967,753	10,593,803
Markup received on exposure margins		4,703,769	15,229,312
Markup received on investment in Marginal Financing System		247,868	1,654,789
Markup received on investment in Margin Trading System		-	1,169,950
Long term deposits		(87,030)	(3,600,000)
Net cash used in investing activities		(20,843,667)	(43,116,836)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(7,122,492)	-
Dividend paid-unclaimed		-	(2,061,557)
Net cash used in financing activities		(7,122,492)	(2,061,557)
Net decrease in cash and cash equivalents		225,653,010	148,706,970
Cash and cash equivalents at beginning of the period		168,718,288	245,002,260
Short term borrowing-secured		(149,996,346)	(199,986,969)
Cash and cash equivalents at end of the period		244,374,952	193,722,261
CASH AND CASH EQUIVALENTS COMPRISE OF:			
Cash and bank balances		394,371,298	193,722,261
Short term borrowing-secured		(149,996,346)	-
		244,374,952	193,722,261

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

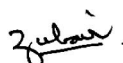
**8. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Issued, subscribed and paid-up capital	Discount on issue of shares	Revenue reserve		Total
Unappropriated profit / Accumulated (loss)			Fair value reserve		
----- (Rupees) -----					
Balance as at 01 July 2019, as previously reported	450,000,000	(50,000,000)	(8,188,270)	3,243,582	395,055,312
Adjustment on initial application of IFRS 16 - net of tax	-	-	(943,595)	-	(943,595)
Balance as at 1 July 2019	450,000,000	(50,000,000)	(9,131,865)	3,243,582	394,111,717
Total comprehensive income for the period					
Profit for the period	-	-	23,266,829	-	23,266,829
Unrealized loss on remeasurement of investment carried at FVTOCI	-	-	-	(562,221)	(562,221)
	-	-	23,266,829	(562,221)	22,704,608
Balance as at 31 December 2019	450,000,000	(50,000,000)	14,134,964	2,681,361	416,816,325
Balance as at 01 July 2020 (As reported previously)	450,000,000	(50,000,000)	7,085,268	(108,119)	406,977,149
Total comprehensive income for the period					
Profit for the period	-	-	36,359,277	-	36,359,277
Realised gain on sale of investment carried at FVTOCI	-	-	5,397,970	108,119	5,506,089
	-	-	41,757,247	108,119	41,865,366
Balance as at 31 December 2020	450,000,000	(50,000,000)	48,842,515	-	448,842,515

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**9. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

1. STATUS AND NATURE OF BUSINESS

Next Capital Limited ("the Company") was incorporated as a public limited company in Pakistan on 14 December 2009 under the Companies Act, 2017 (previously Companies Ordinance, 1984). The Company has obtained corporate membership from Pakistan Stock Exchange Limited ("the Exchange") on 2 February 2010 and was listed on the said Exchange on 27 April 2012.

The Company is a TREC holder of the Exchange and a member of Pakistan Mercantile Exchange Limited and is accredited broker by Financial Market Association of Pakistan. The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities, forex and other financial instruments and corporate finance services. Further, the Company is engaged in trading in equity and debt securities on its own account through ready, spot and forward counters of the stock exchange. The registered office of the Company is situated at 2nd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi. The branch office is situated at 63-A Agora Eden City, Phase 8, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and comprise of standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act 2017 have been followed.

2.1.2 These condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 30 June 2020.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial information have been extracted from the audited annual financial statements of the Company for the year ended 30 June 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended 31 December 2019.

2.1.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed financial information has been prepared under the historical cost convention except for investments that are carried at fair value.

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pakistani Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2020.

4. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2020, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in this condensed interim financial information.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2021.

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 1, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after January 1, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The following annual improvements to IFRS standards 2018-2020 relevant to the Company are effective for annual reporting periods beginning on or after January 1, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after January 1, 2022 clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of

bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items by applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 1, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2020.

The Company's financial risk management objectives and policies are consistent with those that are disclosed in the annual financial statements as at and for the year ended 30 June 2020.

7. PROPERTY AND EQUIPMENT	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Operating fixed assets	7.1	<u>54,614,217</u>	<u>53,730,404</u>
7.1 Operating fixed assets			
Opening written down value		53,730,404	61,848,864
Additions during the period / year - at cost			
- Lease hold improvement		-	-
- Furniture and fixtures		-	1,100,361
- Vehicles - owned / leased		4,116,000	3,959,000
- Computers and related accessories		4,149,148	490,855
		<u>8,265,148</u>	<u>5,550,216</u>
Written down value of deletions during the period / year		-	-
Depreciation for the period / year		<u>(7,381,335)</u>	<u>(13,668,676)</u>
		<u>(7,381,335)</u>	<u>(13,668,676)</u>
Closing written down value		<u>54,614,217</u>	<u>53,730,404</u>
8 RIGHT-OF-USE ASSETS			
Opening written down value		32,924,557	-
Additions during the period		-	39,411,343
Depreciation expense		<u>(3,243,394)</u>	<u>(6,486,786)</u>
Closing written down value		<u>29,681,163</u>	<u>32,924,557</u>

9. INTANGIBLE ASSETS

Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
	950,000	950,000
9.1	2,500,000	2,500,000
9.2	50,278	86,112
	3,500,278	3,536,112

Pakistan Mercantile Exchange - Membership card
Trading Right Entitlement Certificate (TREC)
Software

9.1 This represents TREC acquired on surrender of Stock Exchange Membership Card. The company also received shares of Pakistan Stock Exchange on surrender.

9.2 Particulars - software
Net carrying value basis

Opening net book value	86,112	423,747
Additions during the period / year	-	50,000
Amortisation charged during the period / year	(35,834)	(387,635)
Closing net book value	50,278	86,112

Gross carrying value

Cost	5,153,660	5,153,660
Accumulated amortisation	(5,103,382)	(5,067,548)
Net book value	50,278	86,112

Amortisation rate

33%	33%
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10. INVESTMENT IN SHARES OF PAKISTAN STOCK EXCHANGE LIMITED

31 December 2020 (Un-audited) (Number of Shares)	30 June 2020 (Audited)		31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
1,081,194	1,081,194	Pakistan Stock Exchange Limited	10,819,940	10,819,940
-	-	Realized gain during the period	5,506,089	-
(1,081,194)	-	Sold in market	(16,326,029)	-
-	1,081,994		-	10,819,940
<i>Market value basis</i>				
Book value as of 31 December 2020			-	10,811,940
Unrealized gain / (loss) as of 31 December 2020			-	(108,119)
Market value as of 31 December 2020			-	10,703,821

11. LONG TERM DEPOSITS

Pakistan Stock Exchange Limited	11.1	27,200,000	12,200,000
Central Depository Company of Pakistan Limited		125,000	125,000
National Clearing Company of Pakistan Limited		1,625,000	1,625,000
Pakistan Mercantile Exchange	11.2	1,250,000	1,250,000
Security deposit against office premises		1,480,553	1,393,523
Security deposit against PSO card		120,000	120,000
		31,800,553	16,713,523

11.1 This includes deposits placed with Pakistan Stock Exchange Limited for taking exposures in regular, future market and cash deposited against Base Minimum Capital (BMC) requirement.

11.2 This represents deposits placed with Pakistan Mercantile Exchange for taking exposures in commodity market.

**12. SHORT TERM INVESTMENTS - FAIR VALUE THROUGH
PROFIT OR LOSS**

Listed equity securities	12.1	-	484,350
Term Finance Certificates	12.2	4,009,645	4,009,645
		4,009,645	4,493,995

12.1 Listed equity securities

31 December 2020 (Un-audited) (Number of shares / certificates)	30 June 2020 (Audited) (Number of shares / certificates)	Name of investee	31 December 2020		30 June 2020	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value (Rupees)
-	5,000	Habib Bank Limited	-	-	636,313	484,350
-	5,000		-	-	636,313	484,350
		Unrealised loss on re-measurement of investment - Fair value through profit or loss	-	-	(151,963)	
		Market value	-	-	484,350	

12.2 Term Finance Certificates

31 December 2020 (Un-audited) (Number of certificates)	30 June 2020 (Audited) (Number of certificates)	Name of investee	31 December 2020		30 June 2020	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value (Rupees)
802	802	Soneri Bank Limited	4,009,645	4,009,645	4,009,645	4,009,645

12.2.1 Significant terms and conditions of the Term Finance Certificates outstanding at the period end are as follows:

Name of Security	Face value	Unredeemed face value	Markup rate (per annum)	Maturity	Rating	
					Long term	Short term
Soneri Bank Limited - III	4,009,645	4,009,645	6 month KIBOR + 2%	Perpetual	AA-	A1+

13. INVESTMENT IN MARGINAL FINANCING SYSTEM

This amount is given as Margin Financing (MF) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in House accounts under pledged status. The Company is financing on Financing Participation Ratio (FPR) of maximum 75% and charging markup upto the rate of 1 month KIBOR + 8%.

14. TRADE DEBTS

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited) (Rupees)
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	14.2	212,587,677	94,654,272
- Brokerage commission		12,372,946	10,947,818
- Equity shares		1,604,060	2,088,345
- Money market and forex		24,692,611	8,266,816
- Consultancy fee			
Provision for doubtful debts	14.1	(12,561,470)	(11,477,432)
		238,695,824	104,479,819
Receivable from NCCPL		-	3,325,347
		238,695,824	107,805,166
14.1 Provision for doubtful debts			
Opening balance		11,477,432	12,540,829
Impairment during the period - net		1,084,038	(1,063,397)
Closing balance		12,561,470	11,477,432

14.2 Aging analysis

The aging analysis of the trade debts relating to purchase of shares is as follows:

	Note	31 December 2020	
		(Un-audited)	
		Amount	Custody value
		(Rupees)	
Upto five days	14.2.1	167,304,875	2,023,272,298
More than five days	14.2.1	45,282,802	61,241,317
		<u>212,587,677</u>	<u>2,084,513,615</u>

14.2.1 These custody values are shown at market value after applying haircut of straight 15%.

15. DEPOSITS AND PREPAYMENTS

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Deposit of exposure margin	15.1	195,710,777	302,086,059
Deposit against Marginal Trading Services	15.2	16,484,565	10,339,530
Security deposits	15.3	347,250	347,250
Mobilization advance	15.4	5,056,271	3,071,023
Prepaid expenses		2,817,241	2,888,067
Sales tax receivables		1,021,468	499,382
Markup receivable against bank deposits		-	-
		<u>221,437,572</u>	<u>319,231,311</u>

15.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. This deposit carry profit at rates ranging from 4.00% to 5.61% (30 June 2020: 5.61% to 10.74%).

15.2 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade and sustained losses to date on Marginal Trading Services. These deposits carry profit at rates ranging from 4.00% to 5.61% (30 June 2020: 5.61% to 10.74%).

15.3 This includes security deposit against leased asset.

15.4 This amount is paid to supplier against renovation of office premises.

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
<i>Considered good</i>			
Advance against salary - secured		661,274	75,107
Other receivables and advances - unsecured		<u>3,340,197</u>	<u>4,519,707</u>
		<u>4,001,471</u>	<u>4,594,814</u>

17. CASH AND BANK BALANCES

Balances with banks:			
Saving accounts - profit or loss account	17.1	370,300,886	135,146,837
Current accounts - Conventional		21,512,619	31,634,064
Current accounts - Shariah Compliant		<u>2,513,293</u>	<u>1,906,262</u>
	17.2	<u>394,326,798</u>	<u>168,687,163</u>
Cash in hand		44,500	31,125
		<u>394,371,298</u>	<u>168,718,288</u>

17.1 Profit rate on saving accounts ranges from 5.5% to 6.61% per annum (30 June 2020: 6.61% to 11.74% per annum).

17.2 This include Rs. 399,565 (30 June 2020: Rs. 136,126) million kept in designated bank accounts maintained on behalf of clients.

	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
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18. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

18.1 Issued, subscribed and paid-up capital		
Ordinary shares of Rs. 10 each fully paid in cash	<u>450,000,000</u>	<u>450,000,000</u>

19. SHORT TERM BORROWING - SECURED

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
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19.1 Short term running finance - secured	19.1.1	<u>149,996,346</u>	<u>149,996,346</u>
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19.1.1 Running finance facility of Rs. 150 (30 June 2020: Rs.150) million has been obtained by the Company from schedule bank having expiry on 30 June 2021 and is secured against charge over present and future current assets of the Company. The mark-up on the facility is payable quarterly at 3 month KIBOR +3.5% (30 June 2020: Rs. 3 month KIBOR + 3.5%)

20. TRADE AND OTHER PAYABLES

Trade creditors	20.1	368,848,937	172,651,473
Payable to National Clearing Company of Pakistan Limited		20,205,476	-
Accrued commission to traders	20.2	17,410,823	1,849,820
Accrued salaries and other expenses		6,302,350	5,491,639
Auditor's remuneration		475,000	570,000
Tax deducted at source		6,520,088	1,337,291
Provision for sales tax		-	-
Commission payable	20.3	78,251	78,252
Markup payable		4,053,180	470,544
Other payables		4,366,500	1,482,995
		<u>428,260,605</u>	<u>183,932,014</u>

20.1 This includes trade payable of Rs. 1.457 (30 June 2020: Rs. 13.477) million payable to related parties.

20.2 This includes commission payable of Rs. 12.002 (30 June 2020: Rs. 0.395) million to related parties.

20.3 This represents commission payable to a foreign brokerage house.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 The Sindh Revenue Board (SRB) passed an Order for recovery of Sindh sales tax on advisory services amounting to Rs. 871,581 for the tax period July 2011 to June 2012. The Company filed appeal before the Commissioner Appeals (SRB) against the said order. The Commissioner Appeals (SRB) passed the final order dated 21 November 2014 for recovery of assessed amount Rs. 871,581 and default surcharge to be calculated at the time of payment.

The Company filed the petition against the order to the Honourable High Court of Sindh ("the Court") and the Court granted an interim order dated 28 November 2014 and restrained the SRB from demanding any payment till further orders by the Court.

The Sindh Revenue Board has passed an order on 11 October 2019 in respect of short declaration of revenue on which short paid sales tax amounting to Rs. 6,347,286/- was computed for the tax period from July 2013 to June 2014. The Company filed appeal before the Commissioner Appeals (SRB) against the said order and also filed the petition S.T.R.A. No. 6/2016 against the order to the Honourable High Court of Sindh ("The Court"). Appeal and petition both are pending for hearings with Commissioner Appeals and the Court.

The Sindh Revenue Board has passed an order on 30 June 2020 in respect of short declaration of revenue on which short paid sales tax amounting to Rs. 1,817,282/- was computed for the tax period from July 2012 to June 2013. The Company filed appeal before the Commissioner Appeals (SRB) against the said order and also filed the petition against the order to the Honourable High Court of Sindh ("The Court") to add this case in earlier petition due to similar grounds of both orders. Appeal and petition both are pending for hearings with Commissioner Appeals and the Court.

The management based on the advice of its advisor is confident that the above such services were not taxable under the Sindh Sales Tax Act, 2011 till 1st July 2014, wherefrom amendment in the Act introduced. The department erroneously charged Sales Tax on such services retrospectively. The Company was duly paying Sindh Sales Tax on brokerage services and filing Sindh Sales Tax accordingly. The Company is confident of a favourable outcome against all orders passed by SRB, therefore, no provision has been made in this regard.

- 21.1.2** The Sindh Revenue Board issued notice to the Company in respect of short payment of sales tax for the tax periods from July 2011 to June 2018 amounting to Rs. 22.382 million. The Company provided all the relevant details and explanation to the SRB and also paid tax amounting to Rs. 6.509 million along with penalty and default surcharge amounting to Rs. 0.375 million under the amnesty scheme provided through notification no. SRB-3-4/11/2018 dated May 18, 2018.

After the compliance and payment no further notice has been received.

- 21.1.3** During last year, one of the client filed a case before the civil court of Lahore against the Company, Pakistan Stock Exchange Limited, Securities and Exchange Commission of Pakistan and Central Depository Company, seeking redit of accounts and permanent injunction from the Company. The hearing of the case is pending before the High Court. The Company based on its lawyer's assessment and its legal standing is confident of a favourable outcome of the same, therefore, no provision has been made in this regard.

21.2	Commitments			31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited) (Rupees)	
	For sale of quoted securities under future contracts against counter commitments			470,632,500	22,117,820	
	For purchase of quoted securities under future contracts against counter commitments			542,611,725	91,276,940	
22.	OPERATING REVENUE					
			Six months ended 31 December	Quarter ended 31 December		
	Note	2020	2019	2020	2019	
		(Unaudited)		(Unaudited)		
		(Rupees)		(Rupees)		
	Brokerage income	22.2	154,391,912	93,319,562	76,782,157	64,330,952
	Advisory / consultancy fee		43,129,207	39,613,055	20,637,556	39,048,055
			197,521,119	132,932,617	97,419,713	103,379,007
	Less: Sales tax on services		22,723,668	17,281,240	11,207,577	13,881,267
		22.1	174,797,451	115,651,377	86,212,136	89,497,740

22.1 DISAGGREGATION OF REVENUE

As required for the condensed interim financial information, the Company disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table, revenue is disaggregated by type of customers:

	Six months ended 31 December	
	2020	2019
	(Unaudited) (Rupees)	
- Institutional customers	84,455,486	62,151,030
- Retail clients	90,341,965	53,500,347
	174,797,451	115,651,377

22.2 This includes brokerage earned from related parties amounting to Rs. 0.821 (31 December 2019: Rs. 0.593) million.

Note	Six months ended 31 December		Quarter ended 31 December	
	2020	2019	2020	2019
	(Unaudited)			
	(Rupees)			
23. OPERATING EXPENSES				
Salaries, wages and other benefits	29,853,068	22,364,395	14,408,861	11,714,344
Consultancy fee	23.1 2,547,915	3,236,641	2,547,915	1,810,547
Commission and referral fee	23.2 34,899,354	20,017,478	17,995,799	14,593,570
Sub-underwriting commission	-	1,589,113	-	1,589,113
Service and transaction charges	10,476,390	7,359,265	6,355,727	4,310,398
Fees and subscription	4,725,510	4,919,967	2,551,694	2,665,536
	<u>82,502,237</u>	<u>59,486,859</u>	<u>43,859,996</u>	<u>36,683,508</u>

23.1 This includes consultancy fee to the directors of the Company amounting to Rs. 0.637 (31 December 2019: Rs. 0.500) million.

23.2 This includes commission to the directors of the Company amounting to Rs.14.534 (31 December 2019: Rs. 10.390) million.

	Six months ended 31 December		Quarter ended 31 December	
	2020	2019	2020	2019
	(Un-audited)			
	(Rupees)			
24. ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	24,425,238	18,298,141	12,774,345	9,930,244
Telephone and communication charges	2,144,494	1,909,169	1,208,921	890,455
Rent expense	-	-	-	(2,221,200)
Utility charges	948,900	1,208,496	450,909	600,037
Vehicle running expenses	1,313,388	1,148,942	665,126	534,355
Depreciation	10,624,729	10,163,966	5,637,496	6,751,348
Amortisation	35,834	189,166	17,917	94,582
Legal and professional charges	833,560	779,300	269,060	548,025
Auditor's remuneration	650,000	310,000	650,000	310,000
Insurance	958,817	967,441	492,608	479,220
Printing, stationery and postage charges	564,012	655,125	384,649	402,857
Office supplies	254,139	374,569	126,994	224,691
Office repair and maintenance	1,356,911	598,922	835,837	399,817
Fees and subscription	967,875	1,007,704	522,636	478,887
Travelling and entertainment charges	162,331	1,674,190	54,678	622,815
Advertisement expenses	167,390	-	110,190	-
Security expense	1,456,653	1,460,280	931,024	819,565
Generator Fuel	196,372	46,330	29,128	34,753
Miscellaneous expenses	1,059,632	1,355,978	711,706	1,008,411
	<u>48,120,275</u>	<u>42,147,719</u>	<u>25,873,224</u>	<u>21,908,862</u>

25. OTHER INCOME

Mark-up / interest on:				
- Bank balances (under mark-up arrangements)	7,967,753	10,593,803	4,606,600	5,691,196
- Investment in Marginal Financing System	247,868	1,654,789	161,612	906,157
- Investment in Marginal Trading System	-	1,169,950	-	85,615
- Exposure margin	5,447,871	15,229,312	3,925,366	6,878,742
- Accrued interest on T-Bills	-	1,838,202	-	1,657,988
Miscellaneous income	286,928	401,898	286,928	401,898
	<u>13,950,420</u>	<u>30,887,954</u>	<u>8,980,506</u>	<u>15,621,596</u>

26. TAXATION

26.1 The income tax returns of the Company have been filed up to tax year 2020 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

Order under section 161 and 205 of the Income Tax Ordinance 2001 has been passed by the Assistant Commissioner Inland Revenue in respect of monitoring of withholding of taxes for the tax year 2016 on account of short deduction of tax on payments made by the Company amounting to Rs. 0.10 million.

- 26.2** Order under section 161 and 205 of the Income Tax Ordinance 2001 has been passed by the Assistant Commissioner Inland Revenue in respect of monitoring of withholding of taxes for the tax year 2011 on account of short deduction of tax on payments made by the Company amounting to Rs. 0.876 million. Against the said order the Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) under section 127 of Income Tax Ordinance 2001. The case has been heard, however, the decision in appeal is still pending.

Order for amendment in assessment under section 122 (5A) of the Income Tax Ordinance 2001 has been passed by the tax authorities for the tax year 2011 on the basis that the tax deduction under section 153(1)(b) of the Ordinance was minimum tax, therefore, no refund is allowable to the Company creating tax demand of Rs. 26,698. The Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) under section 127 of Income Tax Ordinance, 2001, where hearing in appeal is pending.

The Company has been selected for audit in respect of tax year 2016 through Random Computer Balloting in accordance with section 214C of the ordinance. The notice for submission of details was issued by Zone-V, Corporate Regional Tax Office, Karachi whereas jurisdiction of the Company falls with Zone-I Corporate Regional Tax office, Karachi. The same was responded and no further notice has been received yet.

- 26.3** There is no change in the status of the current tax assessment.

27. EARNINGS PER SHARE - BASIC AND DILUTED

	Six months ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Un-audited)			
	(Rupees)			
Profit for the period	<u>36,359,277</u>	<u>23,266,829</u>	<u>19,501,374</u>	<u>31,854,554</u>
	(Numbers)			
Weighted average number of ordinary shares in issue during the period	<u>45,000,000</u>	<u>45,000,000</u>	<u>45,000,000</u>	<u>45,000,000</u>
	(Rupees)			
Earnings per share - basic and diluted	<u>0.81</u>	<u>0.52</u>	<u>0.43</u>	<u>0.71</u>

- 27.1** Diluted earnings per share has not been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of directors, key management personnel and close family members of the directors and key management personnel. Transactions with related parties are carried out at negotiated rates. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial information are as follows:

28.1 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the condensed interim financial information for remuneration, including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees)					
Managerial remuneration	9,426,250	5,000,000	-	-	20,871,286	13,064,046
House rent allowance	2,400,000	2,000,000	-	-	6,058,514	5,185,618
Medical	600,000	500,000	-	-	1,514,629	1,296,405
Commission and consultancy fee	-	-	14,533,831	10,389,632	17,142,410	2,648,522
			636,979	500,000		-
	<u>12,426,250</u>	<u>7,500,000</u>	<u>15,170,810</u>	<u>10,889,632</u>	<u>45,586,839</u>	<u>22,194,591</u>
Number of persons	1	1	3	3	20	12

28.2 The Company provided the CEO and certain executives with Company maintained cars as per their terms of employment.

28.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs.15.171 (31 December 2019: Rs. 10.890) million.

28.4 No fee is paid to directors for meetings attended by them.

29. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in arm's length transaction. The table below analyses financial instruments carried at fair value, by valuation method. The different levels (methods) have been defined as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices. The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**On balance sheet
financial instruments**
31 December 2020 (Un-audited)

	Carrying value				Fair value		
	Mandatorily at FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
(Rupees)							
Financial assets measured at fair value							
Term finance certificates	4,009,645	-	-	-		4,009,645	
Financial assets not measured at fair value							
Long term deposits	-	-	31,800,553	-			
Trade debts	-	-	238,695,824	-			
Investment in Marginal Financing System	-	-	27,919,047	-			
Deposits and prepayments	-	-	218,620,331	-			
Advances and other receivables	-	-	4,001,471	-			
Cash and bank balances	-	-	394,371,298	-			
	4,009,645	-	915,408,524	-			
Financial liabilities not measured at fair value							
Lease liabilities	-	-	-	36,111,813			
Unclaimed Dividend	-	-	-	3,055,446			
Short term borrowing - secured	-	-	-	149,996,346			
Trade and other payables	-	-	-	428,260,605			
Contract Liabilities	-	-	-	1,666,667			
	-	-	-	619,090,877			

**On balance sheet
financial instruments**
30 June 2020 (Audited)

	Carrying value				Fair value		
	Mandatorily at FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
(Rupees)							
Financial assets measured at fair value							
Investment in shares of Pakistan Stock Exchange Limited	-	10,703,821	-	-	10,703,821		
Listed equity securities	484,350	-	-	-	484,350		
Term finance certificates	4,009,645	-	-	-		4,009,645	
Market Treasury Bills	-	-	-	-			
Financial assets not measured at fair value							
Long term deposits	-	-	16,713,523	-			
Trade debts - considered good	-	-	107,805,166	-			
Investment in marginal financing	-	-	2,430,138	-			
Deposits and prepayments	-	-	316,343,244	-			
Advances and other receivables	-	-	4,594,814	-			
Cash and bank balances	-	-	168,718,288	-			
	4,493,995	10,703,821	616,605,173	-			
Financial liabilities not measured at fair value							
Lease liabilities	-	-	-	40,138,828			
Unclaimed dividend	-	-	-	3,055,446			
Short term borrowing - secured	-	-	-	149,996,346			
Trade and other payables	-	-	-	183,932,014			
Contract Liabilities	-	-	-	-			
	-	-	-	377,122,634			

30. OPERATING SEGMENTS

These condensed interim financial information have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting and reporting standards as applicable in Pakistan.

There were no change in the reportable segment during the period.

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information was authorised for issue by the Board of Directors of

15.02.2021.



Chief Executive



Director



Chief Financial Officer



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