



HALF YEARLY REPORT
DECEMBER 2022

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1. COMPANY INFORMATION

Board of Directors	<p>Lt. Gen. Tariq Waseem Ghazi (Retd.) Mr. Muhammad Najam Ali Mrs. Hanna Khan Mr. M. Zulqarnain Mahmood Khan Mr. Ali Akhtar Ali Mr. Malik Khurram Shahzad Mr. Hasan Sahanawaz</p>	<p>Non-Executive Director, Independent Director, Chairman Executive Director, Chief Executive Officer Non-Executive Director Non-Executive Director Executive Director Non-Executive Director Non-Executive Director</p>
Audit Committee	<p>Mr. Hasan Shah Nawaz Mr. M. Zulqarnain Mahmood Khan Mr. Ali Akhtar Ali M. Rizwan Yousuf</p>	<p>Chairman, Independent Director Member Member Head of Internal Audit - Secretary</p>
Human Resource & Remuneration Committee	<p>Mr. Hasan Shah Nawaz Mr. M. Zulqarnain Mahmood Khan Mrs. Hanna Khan</p>	<p>Chairman, Independent Director Member Member</p>
Chief Financial Officer	Mr. Mohammad Omair Rashid	
Company Secretary	M. Rizwan Yousuf	
Head of Internal Audit	M. Rizwan Yousuf	
External Auditors	<p>Baker Tilly Mehmoode Idrees Qamar Chartered Accountants 4th Floor, Central Hotel Building, Civil Lines, Merewather Road, Karachi</p>	
Bankers	<p>Askari Bank Limited Bank Alfalah Limited Bank of Punjab Bank Al Habib Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited MCB Islamic Bank Habib Bank Limited Sindh Bank Limited United Bank Limited</p>	
Tax Advisors	<p>Junaib, Shoaib, Asad & Co. Chartered Accountants 1/6-P, Block 6, PECHS, Mohtarma Laeeq Begum Road Off Shahrah-e-Faisal, Karachi</p>	
Legal Advisors	<p>Mohsin Tayebaly & Co. Barristers & Advocates 2nd Floor Dime Centre, BC-4 Block 9 KDA Scheme 5, Clifton, Karachi</p>	
Rating Company	JCR-VIS Credit Rating Company Limited	
Share Registrar	<p>FAMCO Associates (Pvt.) Limited 8-F, P.E.C.H.S. Block 6 Shahr-e-Faisal, Karachi</p>	
Registered Office	<p>2nd Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi</p>	

2. DIRECTORS' REPORT

Economic Review & Outlook

Amid an already challenging macroeconomic situation of the country with plummeting foreign exchange reserves, depreciating PKR, inflationary pressures, political uncertainties, and downward revisions in the sovereign credit ratings by international agencies, Pakistan was faced with massive floods that have resulted in huge losses of precious lives, infrastructure, livestock and agriculture. Losses and reconstruction needs after these floods are estimated at over USD46 billion in Post-Disaster Needs Assessment, which was jointly conducted by the Ministry of Planning, Development and Special Initiatives, Asian Development Bank, the European Union, and the United Nations agencies.

Pakistan's foreign exchange reserves despite improving current account deficits, plummeted to USD10.8 billion at the end of the period under review compared to USD15.4 billion as on June 30, 2022. Foreign exchange reserves with SBP fell from an already critical level of USD9.8 billion as on June 30, 2022 that were enough to cover 1.6 months of goods imports, to USD5.6 billion at the end of the period under review, covering 1.3 months of imports. Subsequent to the period under review, reserves with SBP have fallen down to USD3.2 billion enough for just over three weeks of goods imports. The major reasons for this depletion include repayments of external debt and liabilities, and non-materialization of planned inflows of foreign exchange amidst stalled ninth review of the IMF Extended Fund Facility (EFF) that was due to be completed in November 2022 after the successful completion of the combined 7th and 8th reviews with an inflow of around USD1.2 billion in August 2022. Financial account of the Balance of Payments reported a net outflow of USD1.2 billion during the period under review compared to a net inflow of USD10.1 billion in the same period last year.

Pakistan's currency devalued by 10.5% against the US Dollar during the period under review in the inter-bank market to PKR226.43/USD. A severe shortage of US Dollars due to fast depleting reserves and smuggling into the neighbouring Afghanistan resulted in the PKR weakening to as low as PKR270-280/USD in the unofficial channels. Subsequent to the period under review, reimplementation of a market-oriented exchange rate mechanism has led inter-bank exchange rate parity to around PKR263/USD before hitting PKR276.58/USD in February 2023.

Monetary tightening, import limitations, and decline in international commodities' prices, along with inflationary pressures, helped in improving the current account deficit (CAD) to USD3.7 billion during the period under review compared to USD9.1 billion of the same period last year. Exports went down by 6.8% to USD14.2 billion primarily due to shortage of raw material with lower domestic crop and import restricting policies. Imports on the other hand declined by 18.2% over the same period last year to USD29.5 billion primarily on the back of lower commodities' prices and reduced volumes. Trade deficit in services also improved to USD357 million compared to USD2.1 billion of the same period last year. Remittances came down by 11.1% to USD14.1 billion during the period under review where the decline is primarily owed to a significant discount in inter-bank currency market against the greenback compared to the open-market and unofficial channels, along with inflationary pressures globally.

Restrictive import policies amid shortage of US Dollars have led to improvement in CAD, but shortage of raw material has led to forced shutdowns of companies in various sectors and the Large-Scale Manufacturing Index dropped by 3.7% during the period under review compared to a growth of 7.7% during the same period last year. Decline in industrial growth and agriculture output along with inflationary pressures, are expected to have negative impacts on the overall GDP growth outlook for the ongoing year.

Average headline inflation for the period under review stood at 25% compared to 9.8% of the same period last year. Prime reasons for the significant rise in inflation are higher prices in food, energy and transport segments. This is due to supply shocks in food items, weakening PKR against USD, increase in petroleum levy on petrol and HSD, and hike in electricity tariffs. Ripple effects of high food and energy inflation also started translating into higher non-food non-energy (NFNE) inflation that increased to 14.7% and 19% in December 2022 for urban and rural centers, respectively compared to 8.3% and 8.9%, respectively in the same month of the previous year. To counter inflationary pressures, the Monetary Policy Committee of the SBP during the period under review jacked-up the policy rate cumulatively by 225 basis points to 16% in July and November 2022, and subsequently to 17% in January 2023. However, real interest rates are still hovering in the negative territory.

Pakistan is currently facing a severe liquidity crunch with fast depleting foreign exchange reserves along with inflationary pressures and a steep slowdown in growth. The government realizing the significance of remaining in an IMF program has started implementing the conditionalities and prior actions of the lender paving the way for a successful completion of the 9th review leading to a disbursement of another around USD1.2 billion in the near future. With inflation at historic high levels, implementation of new tax measures, increase in gas prices and electricity tariffs, replacing general subsidies with targeted subsidies, and implementation of a plan for resolution of circular debt, are likely to add more inflationary pressures in the near term that may lead to more monetary tightening going forward. However, the medium to long term benefits of these structural reforms would result in achieving a long-term all-inclusive sustainable growth rate.



Equities market performance and outlook

During the period under review, the benchmark KSE100 Index remained extremely volatile influenced by political and macroeconomic developments. The index made a high of 43,888 in August 2022 with the completion of the combined 7th and 8th review of the IMF and receipt of USD1.2 billion. However, overall macroeconomic deterioration and political uncertainties led the index towards a low of 39,747 in December 2022. The index eventually closed the period under review at 40,420 level losing 1,120 points, 2.7%. In US Dollar terms, the index lost 12% during the period under review. Uncertainties have largely kept investors cautious as depicted by a significant decline in trading activity at the local bourse. Average daily volumes declined by 35.8% to 219 million shares compared to 342 million shares of the same period last year. Average daily trading value also plummeted by 44.6% to PKR6.7 billion compared to PKR12 billion of the same period last year. Trading value declined by 58% in US Dollar terms during the period under review. Foreign investors sold equities worth USD1 million during the period under review compared a selling worth USD250 million of the same period last year. Banks, individuals and companies were the major buyers from the domestic participants whereas mutual funds and insurance companies were the major sellers during the period under review.

Going forward, the Board is of the opinion that despite the fact that the domestic bourse is trading at attractive valuations and offers healthy dividend yields, political and economic uncertainties are likely to keep investors at bay in the near term. As the country heads towards resumption of the IMF program and braces for the impacts of tough decisions that would also have political repercussions heading towards 2023 elections, the medium to long term outlook is expected to greatly improve with the continued support from friendly countries and other bilateral and multilateral agencies. Investor confidence is therefore expected to gradually improve going forward.

Performance Overview:

The following table depicts your company's performance during the period under review:

	Dec - 2022	Dec - 2021
	PAK RUPEES	
Accumulated profit/(loss) as at July 01	6,010,281	49,481,566
Net Profit/(Loss) for the period	(51,543,267)	(57,247,443)
Accumulated profit/(loss) as at December 31	(45,532,986)	(7,765,877)
Earnings Per Share	(0.91)	(1.16)

During period under review, your company posted a loss after tax of PKR51.5 million compared to a loss after tax of PKR57.2 million during the corresponding period last year, reflecting an improvement of 10%. Resultantly the loss per share is PKR0.91 during the period under review compared to PKR1.16 of the same period last year.

Total brokerage income dropped to PKR46.3 million from PKR108.7 million of the same period last year depicting a decline of 57.4%. This decline is primarily instigated by extremely thin activity in the equities market. However, brokerage income on money market transactions has improved by 22.4% over the same period last year. The Advisory and related income of your company continued to make a healthy contribution to the overall revenues even in the present stressful times and reported a growth of 136% over the same period last year.

Operating expenses during the period under review decreased by 32% to PKR50.5 million over the same period last year, owing to lower business activities. The company also controlled its administrative expenses, which decreased by 3.9% compared to the same period last year, to PKR63.4 million.

The Board is committed to following a growth-oriented business strategy where increasing revenue is focused from not only core brokerage business from equities and other markets, but also targeting new and emerging opportunities in the investment banking, advisory and related services segment as the country emerges gradually from the current crises.

For and on behalf of the Board of Directors

Lt. Gen. Tariq Waseem Ghazi (Retd.)

Dated: February 27, 2023

Chairman

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
4th Floor, Central Hotel Building,
Civil Lines, Merewether Road,
Karachi - Pakistan

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NEXT CAPITAL LIMITED
AUDITORS' REVIEW REPORT TO THE MEMBERS ON
REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **NEXT CAPITAL LIMITED** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow together with the notes forming part thereof (*here-in-after referred to as the "condensed interim financial statements"*) for the half year then ended. The Management of the Company is responsible for the preparation and the presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed interim financial statements 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 Standards on Auditing 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 statements as at December 31, 2022 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

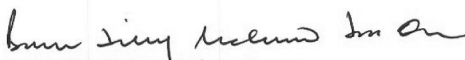
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Other Matter

The condensed interim financial statements of the Company for the half year ended December 31, 2021 and financial statements for the year ended June 30, 2022 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed unqualified conclusion and opinion respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Mehmood A. Razzak**.

for

A handwritten signature in black ink, appearing to read 'Baker Tilly Mehmoood Idrees Qamar'.

Baker Tilly Mehmoood Idrees Qamar
Chartered Accountants

Karachi.

Date: February 27, 2023

UDIN: RR202210151bcD2YwBFW



NEXT CAPITAL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees	
ASSETS			
Non-current assets			
Fixed assets	5	46,955,851	60,860,329
Right of use assets	5.3	16,583,946	19,827,340
Intangible assets	6	108,991,731	75,793,873
Investment in term finance certificates	7	4,019,064	4,019,064
Long term deposits	8	4,764,761	17,664,761
Deferred tax asset - net		11,046,942	7,225,752
		192,362,295	185,391,119
Current assets			
Short term investments - fair value through profit or loss	9	89,844,803	60,400,032
Investment in marginal financing system	10	14,596,857	9,300,902
Trade debts	11	195,821,438	296,102,104
Deposits and prepayments	12	178,742,969	131,093,928
Advances and other receivables	13	6,508,314	206,459,463
Advance tax		42,386,428	40,125,889
Cash and bank balances	14	164,447,557	221,673,403
		692,348,366	965,155,721
Total assets		884,710,661	1,150,546,840
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (June 2022: 100,000,000) Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	15	569,250,000	495,000,000
Discount on issue of shares		(50,000,000)	(50,000,000)
Accumulated (loss) / profit		(45,532,986)	80,260,281
		473,717,014	525,260,281
Non-current liabilities			
Lease liabilities		15,395,643	22,796,032
Current liabilities			
Unclaimed dividend		3,004,827	3,004,827
Current portion of lease liabilities		10,233,928	7,575,077
Short term borrowing - secured	16	149,987,960	149,997,195
Trade and other payables	17	232,371,289	440,746,770
Contract liabilities		-	1,166,658
		395,598,004	602,490,527
Total equity and liabilities		884,710,661	1,150,546,840
Contingencies and commitments			
	18		

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NEXT CAPITAL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
		Rupees			
Operating revenue	19	62,995,822	115,755,016	33,426,464	46,924,319
(Loss) / gain on sale of investments		(6,516,575)	469,041	2,265,948	(591,328)
Unrealised loss on remeasurement of investments - fair value through profit or loss	9.1	(9,622,686)	(37,293,596)	(9,117,498)	(16,949,839)
Operating expenses	20	(50,506,355)	(74,292,084)	(22,947,851)	(29,478,403)
Administrative expenses	21	(63,374,235)	(65,944,184)	(32,254,985)	(32,977,716)
(Provision) / reversal for impairment on trade debts	11.1	(4,571,161)	(858,886)	(4,116,071)	450,013
Finance cost		(5,366,248)	(15,107,618)	(3,317,488)	(8,516,707)
		<u>(76,961,438)</u>	<u>(77,272,311)</u>	<u>(36,061,481)</u>	<u>(41,139,661)</u>
Other income	22	25,448,646	26,036,689	10,518,093	13,069,519
Loss before taxation		<u>(51,512,792)</u>	<u>(51,235,622)</u>	<u>(25,543,388)</u>	<u>(28,070,142)</u>
Taxation	23				
- Current		(3,851,626)	(5,688,559)	(1,832,451)	(2,770,862)
- Deferred		3,821,151	(323,262)	1,547,997	(1,140,059)
		<u>(30,475)</u>	<u>(6,011,821)</u>	<u>(284,454)</u>	<u>(3,910,921)</u>
Loss after taxation		<u>(51,543,267)</u>	<u>(57,247,443)</u>	<u>(25,827,842)</u>	<u>(31,981,063)</u>
Loss per share - basic and diluted	24	<u>(0.91)</u>	<u>(1.16)</u>	<u>(0.52)</u>	<u>(0.65)</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NEXT CAPITAL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Six months period ended December 31,		Three months period ended December 31,	
	2022	2021	2022	2021
	----- Rupees -----			
Loss after taxation	(51,543,267)	(57,247,443)	(25,827,842)	(31,981,063)
<u>Other comprehensive income</u>				
<i>Items that will not be reclassified to profit or loss account in subsequent periods</i>				
Realized gain on remeasurement of investment carried at FVTOCI	-	-	-	-
Total comprehensive loss	<u>(51,543,267)</u>	<u>(57,247,443)</u>	<u>(25,827,842)</u>	<u>(31,981,063)</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NEXT CAPITAL LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

		Six months period ended	
		December 31,	
		2022	2021
Note		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Loss before taxation	(51,512,792)	(51,235,622)
Adjustments for:			
	Depreciation of fixed assets	5.1 10,134,113	10,021,578
	Depreciation on right of use asset	5.3 3,243,394	3,430,540
	Amortisation of intangible assets	6.2 82,506	133,543
	Capital loss / (gain) on sale of investments	6,516,575	(469,041)
	Unrealised loss in the value of investments at 'fair value through profit or loss'	9.1 9,622,686	37,293,596
	Mark-up on bank balances	22 (13,087,829)	(11,872,134)
	Mark-up on investment in marginal financing system	22 (155,760)	(7,354,497)
	Profit on exposure margin	22 (4,039,617)	(5,212,275)
	Other income	22 (4,402,448)	(1,474,140)
	Finance cost	5,366,248	15,107,618
		13,279,868	39,604,788
	Net cash used in operations before working capital changes	(38,232,924)	(11,630,834)
Changes in working capital			
Decrease / (increase) in current assets			
	Trade debts	95,709,505	(120,024,640)
	Deposits and prepayments	(47,649,041)	(124,252,268)
	Advances and other receivables	199,951,149	1,226,011
		248,011,613	(243,050,897)
(Decrease) / increase in current liabilities			
	Trade and other payables	(221,369,825)	72,431,256
	Contract liabilities	-	1,666,667
		(221,369,825)	74,097,923
	Cash used in operations	(11,591,136)	(180,583,808)
	Finance cost paid	(2,707,248)	(8,235,162)
	Taxes paid	(2,260,540)	(5,714,215)
	Net cash used in operating activities	(16,558,924)	(194,533,185)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Payment for purchase of fixed assets	5.1 (1,638,825)	(1,987,077)
	Purchase of Intangibles	6 & 6.2 (33,280,364)	(31,988,900)
	Proceeds from sale of property and equipment	4,198,500	-
	Payment against investment in Marginal Financing System	(35,686,098)	(564,370,700)
	Receipts against investment in Marginal Financing System	30,595,091	630,614,564
	Short term investments made during the period	(1,067,762,088)	(731,485,063)
	Short term investments disposed off during the period	1,038,328,632	653,292,635
	Mark-up received on bank deposits	13,087,829	11,872,134
	Mark-up received on exposure margin	4,039,617	-
	Mark-up received on investment in Margin Trading System	857,650	-
	Mark-up received on investment in Margin Financing System	155,760	7,354,497
	Other income	4,402,448	1,278,424
	Long term deposits	12,900,000	15,665,400
	Net cash used in investing activities	(29,801,848)	(9,754,086)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Short term borrowing - unsecured	-	90,000,000
	Lease rental paid	(10,865,074)	(6,135,278)
	Dividend paid - unclaimed	-	(50,619)
	Net cash (used in) / generated from financing activities	(10,865,074)	83,814,103
	Net decrease in cash and cash equivalents	(57,225,846)	(120,473,168)
	Cash and cash equivalents at beginning of the period	221,673,403	332,701,076
	Short term borrowing - secured	(149,987,960)	(149,996,346)
	Cash and cash equivalents at end of the period	25 14,459,597	62,231,562

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NEXT CAPITAL LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up share capital	Discount on issue of shares	Accumulated (loss) / profit	Total
	(Rupees)			
Balance as at July 01, 2021	495,000,000	(50,000,000)	49,481,566	494,481,566
Total comprehensive loss for the period	-	-	(57,247,443)	(57,247,443)
Balance as at December 31, 2021	<u>495,000,000</u>	<u>(50,000,000)</u>	<u>(7,765,877)</u>	<u>437,234,123</u>
Balance as at July 01, 2022	495,000,000	(50,000,000)	80,260,281	525,260,281
Bonus shares issued during the period	74,250,000	-	(74,250,000)	-
Total comprehensive loss for the period	-	-	(51,543,267)	(51,543,267)
Balance as at December 31, 2022	<u>569,250,000</u>	<u>(50,000,000)</u>	<u>(45,532,986)</u>	<u>473,717,014</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NEXT CAPITAL LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1. STATUS AND NATURE OF BUSINESS

Next Capital Limited ("the Company") was incorporated as a public limited company in Pakistan on December 14, 2009 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company has obtained corporate membership from Pakistan Stock Exchange Limited ("the Exchange") on February 02, 2010 and was listed on the said Exchange on April 27, 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 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, DHA Phase 8, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where 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 statements does not include all the information and disclosures required in the annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2021.

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

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for investments that are carried at fair values and lease liability valued at present value.

2.3 Functional and presentation currency

These condensed interim financial statements 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 statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2022.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan for interim financial reporting, 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 June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those that are disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	Rupees	
5. FIXED ASSETS			
Operating fixed assets	5.1	46,955,851	60,860,329
Capital work in progress	5.2	-	-
		<u>46,955,851</u>	<u>60,860,329</u>
5.1 Operating fixed assets			
Opening written down value		60,860,329	71,742,326
Additions during the period / year - at cost			
- Lease hold improvement		-	4,341,702
- Furniture and fixtures		-	1,634,935
- Vehicles		-	83,280
- Computers and related accessories		1,638,825	3,367,762
		<u>1,638,825</u>	<u>9,427,679</u>
Written down value of disposals during the period / year		(5,409,190)	-
Depreciation for the period / year		<u>(10,134,113)</u>	<u>(20,309,676)</u>
		<u>(15,543,303)</u>	<u>(20,309,676)</u>
Closing written down value		<u>46,955,851</u>	<u>60,860,329</u>
5.2 Capital work in progress			
Opening		-	6,285,789
Capital expenditure incurred during the period / year		-	443,409
Transferred to fixed assets		-	(6,729,198)
Closing		<u>-</u>	<u>-</u>
5.3 Right-of-use assets			
Opening written down value		19,827,340	31,741,341
Additions during the period / year		-	-
Disposals during the period / year		-	(5,486,453)
Depreciation expense		(3,243,394)	(6,427,548)
Closing written down value		<u>16,583,946</u>	<u>19,827,340</u>
6. INTANGIBLE ASSETS			
Pakistan Mercantile Exchange Limited - Membership card		950,000	950,000
Trading Right Entitlement Certificate (TREC)	6.1	2,500,000	2,500,000
Software	6.2	307,312	389,818
Capital work in progress	6.3	105,234,419	71,954,055
		<u>108,991,731</u>	<u>75,793,873</u>

- 6.1 This represents TREC received from the Exchange in accordance with the requirements of Stock Exchange (Corporatisation, Demutualisation and Integration) Act, 2012.

6.2	Particulars - software	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
			Rupees	
	Net carrying value basis			
	Opening net book value		389,818	32,361
	Additions during the period / year		-	491,000
	Amortisation charged during the period / year		(82,506)	(133,543)
	Closing net book value		307,312	389,818
	Gross carrying value			
	Cost		5,644,660	5,644,660
	Accumulated amortisation		(5,337,348)	(5,254,842)
	Net book value		307,312	389,818
	Amortisation rate		33%	33%
6.3	Capital work in progress			
	Opening		71,954,055	-
	Capital expenditure incurred during the period / year	6.3.1	33,280,364	71,954,055
	Transferred to intangibles		-	-
	Closing		105,234,419	71,954,055

- 6.3.1 This represents the cost capitalised for the development of a software.

7. INVESTMENT IN TERM FINANCE CERTIFICATES

(Un-audited) December 31, 2022 (Number of certificates)	(Audited) June 30, 2022	Name of investee	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			Carrying amount	
			Rupees	
804	804	Soneri Bank Limited	4,019,064	4,019,064

7.1	Name of Security	Face Value	Unredeemed face value	Markup rate (per annum)	Maturity	Long term rating
	Soneri Bank Limited - Tier 1 TFC	4,020,000	4,020,000	6 month KIBOR + 2%	Perpetual	A

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
8.	LONG TERM DEPOSITS	Note	Rupees
	Pakistan Stock Exchange Limited	8.1	-
	Central Depository Company of Pakistan Limited		125,000
	National Clearing Company of Pakistan Limited		1,400,000
	Pakistan Mercantile Exchange Limited	8.2	1,250,000
	Security deposit against office premises		1,869,761
	Security deposit against PSO card		120,000
			<u>4,764,761</u>

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

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

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
9.	SHORT TERM INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS	Note	Rupees
	Listed securities	9.1	89,844,803
			<u>89,844,803</u>

9.1 Listed securities

December 31, 2022 (Un-audited)	June 30, 2022 (Audited)	Name of investee	December 31, 2022 Carrying amount (Un-audited)	Market value (Un-audited)	June 30, 2022 Carrying amount (Audited)	Market value (Audited)
(Number of share)						
200,000	205,369	Attock Refinery Limited	30,206,880	28,712,000	40,945,351	36,099,763
4,096,000	2,374,500	Pakistan Stock Exchange Limited*	69,537,085	33,095,680	51,976,085	24,291,135
100	100	Habib Bank Limited	12,818	6,373	12,818	9,134
87,500	-	TPL Trakker Limited	857,825	925,750	-	-
250,000	-	TRG Pakistan	31,387,104	27,105,000	-	-
<u>4,633,600</u>	<u>2,579,969</u>		<u>132,001,712</u>	<u>89,844,803</u>	<u>92,934,254</u>	<u>60,400,032</u>

Unrealised loss on re-measurement of investment - fair value through profit or loss

(42,156,909)

(32,534,222)

Market value

89,844,803

60,400,032

* This represents the shares pledged with Pakistan Stock Exchange Limited for taking exposures in regular, future market against Base Minimum Capital (BMC) requirement.

10. 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%.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	Rupees	
11. TRADE DEBTS			
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	11.2	162,540,852	293,259,815
- Brokerage commission			
- Equity shares		5,966,138	5,158,039
- Money market		1,802,024	1,753,317
- Consultancy fee		9,484,575	8,354,575
Provision for impairment on trade debts	11.1	(16,994,803)	(12,423,642)
		162,798,786	296,102,104
Receivable from NCCPL		33,022,652	-
		<u>195,821,438</u>	<u>296,102,104</u>

11.1 Provision for impairment on trade debts

Opening balance	12,423,642	7,687,804
Impairment during the period / year - net	4,571,161	4,735,838
Closing balance	<u>16,994,803</u>	<u>12,423,642</u>

11.2 Aging analysis

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

	Note	Amount	Custody value
		Rupees	
Upto five days	11.2.1	105,545,228	2,569,059,911
More than five days	11.2.1	56,995,624	24,081,090
		<u>162,540,852</u>	<u>2,593,141,001</u>

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

11.2.2 As per regulation 34(2)(b) of Securities Brokers (Licensing and Operations) Regulations, 2016, 5,370,000 (June 2022: 5,370,000) shares of Sally Textile Limited & 150,000 shares of Meezan Bank Limited belonging to customers, having market value of Rs. 16.11 million & 14.931 million (June 2022: 16.11 million) were pledged by the customers with the financial institutions through the Company. As at December 31, 2022, there were "Nil" (June 2022: Nil) securities belonging to the Company were pledged with financial institutions.

11.2.3 Customers assets held in the central depository system consists of 391,049,514 Shares value at Rs. 7,236 million.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
12.	DEPOSITS AND PREPAYMENTS	Note	Rupees
	Deposit against exposure margin	12.1	167,801,457
	Deposit against marginal trading services	12.2	-
	Security deposits	12.3	-
	Prepaid expenses		6,072,840
	Sales tax receivables		4,868,672
			<u>178,742,969</u>
			<u>131,093,928</u>

12.1 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 10.75% to 13.00% per annum (June 30, 2022: 4.00% to 5.61% per annum).

12.2 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 10.75% to 13.00% per annum (June 30, 2022: 4.00% to 5.61% per annum).

12.3 This includes security deposit against leased asset.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
13.	ADVANCES AND OTHER RECEIVABLES	Note	Rupees
	<i>Considered good</i>		
	Advance against salary - secured		251,798
	Other receivables and advances - unsecured		4,169,767
	Receivable against sale of shares		-
	Others		2,086,749
			<u>6,508,314</u>
			<u>206,459,463</u>

14. CASH AND BANK BALANCES

Balances with banks:

Saving accounts - profit and loss account	14.1	150,658,328	181,147,772
Current accounts - conventional		12,521,417	38,839,309
Current accounts - shariah compliant		1,253,629	1,679,259
	14.2	164,433,374	221,666,340
Cash in hand		14,183	7,063
		<u>164,447,557</u>	<u>221,673,403</u>

14.1 Profit rate on saving accounts ranges from 12.25% to 14.50% per annum (30 June 2022: 5.50% to 12.30% per annum).

14.2 This include Rs. 143.354 million (30 June 2022: Rs. 182.199 million) kept in designated bank accounts maintained on behalf of clients.



			December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note		Rupees	
15. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL				
15.1 Authorized share capital				
			December 31, 2022 (Un-audited) (Number of share)	June 30, 2022 (Audited) (Number of share)
		Ordinary shares of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
			<u>1,000,000,000</u>	<u>1,000,000,000</u>
15.2 Issued, subscribed and paid-up share capital				
			December 31, 2022 (Un-audited) (Number of share)	June 30, 2022 (Audited) (Number of share)
		Ordinary shares of Rs. 10 each fully paid in cash	<u>49,500,000</u>	<u>45,000,000</u>
		Issued as bonus shares	<u>7,425,000</u>	<u>4,500,000</u>
			<u>56,925,000</u>	<u>49,500,000</u>
			<u>569,250,000</u>	<u>495,000,000</u>
16. SHORT TERM BORROWING - SECURED				
Short term running finance - secured	16.1		<u>149,987,960</u>	<u>149,997,195</u>
16.1 Running finance facility of Rs. 150 million (June 2022: Rs. 150 million) has been obtained by the Company from schedule bank having expiry on June 30, 2023 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% (June 2022: 3 month KIBOR + 3.5%).				
17. TRADE AND OTHER PAYABLES			December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note		Rupees	
Trade creditors	17.1		194,104,596	204,248,069
Payable to National Clearing Company of Pakistan Limited			-	156,991,390
Accrued salaries and other expenses			654,580	4,174,979
Accrued commission to traders	17.2		-	3,344,261
Payable to auditors			-	1,438,426
Tax deducted at source			3,098,462	54,469,725
Commission payable	17.3		78,252	78,252
Accrued markup			1,895,198	2,780,046
IPS Accounts			5,012,347	128,436
Other payables			25,796,445	12,802,101
Payable against marginal trading services			1,731,409	-
Other accrued expenses			-	291,085
			<u>232,371,289</u>	<u>440,746,770</u>

17.1 This includes trade payable of Rs. 0.030 million (June 30, 2022:Rs. 2.498 million) payable to related parties.

17.2 This includes commission payable of Rs. nil (June 30, 2022: Rs. 2,498 million) to related parties.

17.3 This represents commission payable to a foreign brokerage house.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 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 SRB 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 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 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, where from 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 Return accordingly. The Company is confident of a favourable outcome against all orders passed by SRB, therefore, no provision has been made in this regard.

18.1.2 During the year 2019-20, 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 rendition of accounts and permanent injunction from the Company. The hearing of the case is pending before the Civil Court of Lahore. 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.

18.2 Commitments

For sale of quoted securities under future contracts against counter commitments

December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
----- Rupees -----	

638,457,115 91,004,555

For purchase of quoted securities under future contracts against counter commitments

616,508,400 29,860,475

18.2.1 The Company has availed running finance facilities with Sindh Bank Limited amounting to Rs. 150 million, which carry markup at the rate of 3 months KIBOR plus 3.5% and will mature on June 30, 2023.

19. OPERATING REVENUE

Note

----- Unaudited -----			
Six months period ended December 31,		Three months period ended December 31,	
2022	2021	2022	2021
----- Rupees -----			
19.2	52,351,946	122,768,456	25,906,905
	18,550,834	8,034,713	11,582,500
	282,500	-	282,500
	71,185,280	130,803,169	37,771,905
	8,189,458	15,048,153	4,345,441
19.1	62,995,822	115,755,016	33,426,464
			46,924,319

Brokerage income
Advisory / consultancy fee
Debt capital market services

Less: Sales tax on services

19.1 DISAGGREGATION OF REVENUE

As required for the condensed interim financial statements, 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:

----- Unaudited -----		
Six months ended December 31,		
	2022	2021
----- Rupees -----		
- Institutional customers	36,683,185	38,050,375
- Retail clients	26,312,638	77,704,641
	62,995,823	115,755,016

19.2 This includes brokerage earned from related parties amounting to Rs. 1.077 million (December 31, 2021: Rs. 2.780 million).

20. OPERATING EXPENSES

Note

----- Unaudited -----			
Six months period ended December 31,		Three months period ended December 31,	
2022	2021	2022	2021
----- Rupees -----			
20.1	35,318,320	34,051,757	16,362,488
	3,460,363	717,147	1,125,000
20.2	3,627,359	22,929,886	836,762
	-	1,083,374	-
	3,808,106	7,968,701	1,897,079
	4,292,207	7,541,219	2,726,522
	50,506,355	74,292,084	22,947,851
			29,478,403

Salaries, wages and other benefits
Consultancy fee
Commission and referral fee
Sub-underwriting commission
Service and transaction charges
Fees and subscription

20.1 This includes consultancy fee to the directors of the Company amounting to Rs. 0.637 million (31 December 2021: Rs. 0.637 million).

20.2 This includes commission to the directors of the Company amounting to Rs. nil (December 31, 2021: Rs. 11.118 million).

21. ADMINISTRATIVE EXPENSES

Note

----- Unaudited -----			
Six months period ended		Three months period ended	
December 31,		December 31,	
2022	2021	2022	2021
----- Rupees -----			
28,896,808	27,860,529	14,596,795	13,799,515
3,402,089	4,106,956	1,183,491	1,411,360
-	268,819	-	166,041
2,794,662	2,119,452	1,250,473	1,002,052
3,098,339	1,875,907	1,797,849	964,746
13,377,507	13,512,258	6,455,561	6,858,080
82,506	133,543	41,253	133,543
534,350	1,413,501	456,850	1,098,501
58,660	1,128,692	29,330	828,692
1,864,496	1,202,089	1,362,496	714,690
1,011,752	805,148	565,203	322,528
1,096,007	730,245	749,168	383,692
1,652,622	2,279,354	1,084,263	1,592,703
879,127	1,544,587	558,444	766,838
324,437	1,547,921	218,641	1,060,990
991,200	657,502	256,200	(267,302)
1,964,023	2,008,709	996,953	1,214,114
237,710	83,106	70,320	55,254
1,107,940	2,665,866	581,695	871,679
63,374,235	65,944,184	32,254,985	32,977,716

22. OTHER INCOME

Mark-up / interest on:

- Bank balances (under mark-up arrangements)	13,087,829	11,872,134	6,639,246	6,453,235
- Investment in marginal financing system	155,760	7,354,497	-	2,216,016
- Investment in Marginal Trading System	857,650	-	857,650	-
- Exposure margin	4,039,617	5,212,275	2,305,194	2,802,485
Dividend income	3,503,690	474,900	-	474,900
Gain on lease termination	-	319,359	-	319,359
Gain on disposal of property and equipment	2,905,342	-	-	-
Miscellaneous income	898,758	803,524	716,003	803,524
	<u>25,448,646</u>	<u>26,036,689</u>	<u>10,518,093</u>	<u>13,069,519</u>

23. TAXATION

- 23.1** The income tax returns of the Company have been filed up to tax year 2022 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.
- 23.1.2** 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 2016 on account of short deduction of tax on payments made by the Company amounting to Rs. 0.10 million.

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. The management based on the advice of its advisor is confident regarding the outcome of the case. Thereby no provision is made within these condensed interim financial statements.

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 management based on the advice of its advisor is confident regarding the outcome of the case. Thereby no provision is made within these condensed interim financial statements.

The Company was 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.

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

24. LOSS PER SHARE - BASIC AND DILUTED

	----- Unaudited -----			
	Six months period ended December 31,		Three months period ended December 31,	
	2022	2021	2022	2021
	----- Rupees -----			
Loss for the period	<u>(51,543,267)</u>	<u>(57,247,443)</u>	<u>(25,827,842)</u>	<u>(31,981,063)</u>
	----- Number -----			
Weighted average number of ordinary shares in issue during the period	<u>56,925,000</u>	<u>49,500,000</u>	<u>49,500,000</u>	<u>49,500,000</u>
	----- Rupees -----			
Loss per share - basic and diluted	<u>(0.91)</u>	<u>(1.16)</u>	<u>(0.52)</u>	<u>(0.65)</u>

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

25. CASH AND CASH EQUIVALENTS

Note

		----- Unaudited -----	
		Six months ended December 31,	
		2022	2021
		----- Rupees -----	
Cash and bank balances	14	164,447,557	212,227,908
Short term borrowing - secured	16	(149,987,960)	(149,996,346)
		<u>14,459,597</u>	<u>62,231,562</u>

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, 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 these condensed interim financial statements are as follows:

26.1 Remuneration of Chief Executive, Directors and Executives

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

	----- Unaudited -----					
	Chief Executive		Directors		Executives	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	----- Rupees -----					
Managerial remuneration	6,000,000	6,000,000	3,200,000	-	21,838,086	25,153,778
House rent allowance	2,400,000	2,400,000	1,280,000	-	8,735,234	10,061,511
Medical	600,000	600,000	320,000	-	2,183,809	2,515,378
Commission fee	-	-	-	11,118,836	926,798	6,201,215
Consultancy fee	-	-	636,979	636,979	-	-
	<u>9,000,000</u>	<u>9,000,000</u>	<u>5,436,979</u>	<u>11,755,815</u>	<u>33,683,927</u>	<u>43,931,882</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>15</u>	<u>21</u>

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

26.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs. 0.637 million (December 31, 2021: Rs. 11.756 million).

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

27. 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.

December 31, 2022 - Unaudited						
Carrying value				Fair value		
FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
----- Rupees -----						

On balance sheet financial instruments

Financial assets measured at fair value

Listed equity securities	89,844,803	-	-	-	89,844,803	-	-
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Financial assets not measured at fair value

Term finance certificates	-	-	4,019,064	-			
Long term deposits	-	-	4,764,761	-			
Trade debts - considered good	-	-	195,821,438	-			
Investment in marginal financing system	-	-	14,596,857	-			
Deposits and prepayments	-	-	173,874,297	-			
Advances and other receivables	-	-	6,508,314	-			
Cash and bank balances	-	-	164,447,557	-			
	89,844,803	-	564,032,288	-			

Financial liabilities not measured at fair value

Lease liabilities	-	-	-	25,629,571			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	149,987,960			
Trade and other payables	-	-	-	232,371,289			
	-	-	-	410,993,647			

June 30, 2022 - Audited						
Carrying value				Fair value		
FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
----- Rupees -----						

On balance sheet financial instruments

Financial assets measured at fair value

Listed equity securities	60,400,032	-	-	-	60,400,032	-	-
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Financial assets not measured at fair value

Term finance certificates	-	-	4,019,064	-			
Long term deposits	-	-	17,664,761	-			
Trade debts - considered good	-	-	296,102,104	-			
Investment in marginal financing system	-	-	9,300,902	-			
Deposits and prepayments	-	-	121,434,120	-			
Advances and other receivables	-	-	206,459,463	-			
Cash and bank balances	-	-	221,673,403	-			
	60,400,032	-	876,653,817	-			

Financial liabilities not measured at fair value

Lease liabilities	-	-	-	30,371,109			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	149,997,195			
Trade and other payables	-	-	-	440,746,770			
Contract Liabilities				1,166,658			
	-	-	-	625,286,559			

28. OPERATING SEGMENTS

These condensed interim financial statements 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 accounting and reporting standards as applicable in Pakistan.

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

29. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 27 February, 2023.

A handwritten signature in black ink, appearing to be 'A. Ali', written over a horizontal line.

Chief Executive Officer

A handwritten signature in black ink, appearing to be 'M. Iqbal', written over a horizontal line.

Chief Financial Officer

A handwritten signature in black ink, appearing to be 'J. Khan', written over a horizontal line.

Director



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