



**Quarterly Report  
September 2024**

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## Company Information

<b>Board of Directors</b>	<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>
<b>Audit Committee</b>	<p>Mr. Hasan Shahnawaz          Mr. M. Zulqarnain Mahmood Khan          Mr. Malik Khurram Shahzad          M. Rizwan Yousuf</p>	<p>Chairman, Independent Director          Member          Member          Head of Internal Audit - Secretary</p>
<b>Human Resource &amp; Remuneration Committee</b>	<p>Mr. Hasan Shahnawaz          Mr. M. Zulqarnain Mahmood Khan          Mrs. Hanna Khan</p>	<p>Chairman, Independent Director          Member          Member</p>
<b>Chief Financial Officer</b>	<p>Mr. Mohammad Omair Rashid</p>	
<b>Company Secretary</b>	<p>M. Rizwan Yousuf</p>	
<b>Head of Internal Audit</b>	<p>M. Rizwan Yousuf</p>	
<b>External Auditors</b>	<p>Baker Tilly Mehmood Idrees Qamar          Chartered Accountants          4<sup>th</sup> Floor, Central Hotel Building,          Civil Lines, Merewather Road, Karachi</p>	
<b>Bankers</b>	<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>	
<b>Tax Advisors</b>	<p>Junaidy, Shoaib, Asad &amp; Co.          Chartered Accountants          1/6-P, Block 6, PECHS,          Mohtarma Laeeq Begum Road          Off Shahrah-e-Faisal, Karachi</p>	
<b>Legal Advisors</b>	<p>Mohsin Tayebaly &amp; Co.          Barristers &amp; Advocates          2<sup>nd</sup> Floor Dime Centre, BC-4 Block 9          KDA Scheme 5, Clifton, Karachi</p>	
<b>Rating Company</b>	<p>JCR-VIS Credit Rating Company Limited</p>	
<b>Share Registrar</b>	<p>Digital Custodian Company Limited          Perdesi House, Queens Road Karachi</p>	
<b>Registered Office</b>	<p>2<sup>nd</sup> Floor, Imperial Court Building,          Dr. Ziauddin Ahmed Road, Karachi</p>	

## ***Director's Report***

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### **Economic Review and Outlook**

Pakistan's economy showed further signs of stability and progress in the positive direction aided with the approval of the 37 month IMF EFF program approval in the period under review. The fulfillment of all preconditions for the program were met mostly in the budget and partly post budget, including multiple rollover loans and deposits from friendly countries.

Along with developments on the IMF front, inflows and roll-overs from friendly countries including China, Saudi Arabia and UAE, and surpluses in current account of the balance of payments helped Pakistan in increasing foreign exchange reserves to USD15.401 billion at end September compared to USD13.996 billion at the end of June 2024. Effective measures to control exchange rate along with larger inflows and lower deficits during the period aided the PKR to appreciate by 0.19% vs the USD in the interbank market, decelerating inflation at 6.93% for September 2024, the lowest since January 2021 compared to 12.6% in June 2024, allowed the Monetary Policy Committee (MPC) of the central bank to reduce Policy Rate by 3% from 20.5% (June) to 17.5% in September. Expectations of interest rate in near future to reduce further prevail as the twin deficits are well under control and inflation gather momentum.

With early success in majority of the areas of the IMF benchmarks, barring a few, Pakistan is heading for a longer and larger positive consolidation and gradual growth as long as it continues to meet the IMF benchmarks and acts timely to make adjustments in policies on any hurdles along the way. As a result of the measures taken so far, inflationary pressures are likely to remain subdued all though a tighter monetary policy is likely to prevail as is evident by large the real positive rates in the months to come. Risks to the economy remain from any sudden spike in energy prices given the wars in the Middle East and Central Asia, and any local political volatility leading towards hurdles in meeting IMF agreed benchmarks.

Fiscal account is likely to see some easing with reduced expenditure on debt servicing due to decline in interest rates, along with higher tax revenues, as FBR is striving to closely meet the collection target, though additional taxation measures are likely to be brought in as Pakistan moves forward. With external support of the IMF and other bilateral and multilateral partners, particularly expected investment from the Saudi Arabia primarily in Reko Diq, Pakistan's foreign exchange reserves are likely to improve further going forward that may lead to a stable external account and improvement in credit rating of the country towards end of first quarter 2025. Growth is likely to be slow albeit progressive and possibility of surprises above expectations in the quarters to come, as interest rates continue to fall, while liquidity continues to rise due to faster sterilization of dollars in the economy.

## Equities market performance and outlook

On a broader level ignoring volatility, Pakistan equities and the KSE100 Index rallied breaching the 81,000 mark during the review period. The benchmark KSE-100 Index of the PSX gained 3.4% quarter-on-quarter in rupee terms and 3.7% in USD terms for the period under review, marking its sixth consecutive quarter of growth.

The positivity in momentum is attributed to several factors including approval of the IMF EFF, disbursement of the first tranche, easing inflation reaching single digits, a large combined 300 basis points reduction in the policy rate to 17.5% in two monetary policies and a positive upgrade of the country's credit rating by Moody's and Fitch.

Overall positive sentiments were cautiously fueled by attractive valuations with high dividend yields and further expectations of monetary easing amid disinflation. The KSE100 Index closed the period under review at 81,114 level, gaining 2.9% rising by 2290 points.

With improved investor confidence, market turnover remained steady with average daily volumes at 490 million shares while the average daily value traded to PKR18 billion.

Going forward investor confidence is expected to significantly improve as Pakistan continues to meet IMF benchmarks, and a further cut in interest rates. The domestic bourse still trades at low multiples of approximately 5x, and offers healthy dividend yields that are still competitive with falling fixed income returns. Expectations for the coming quarters is for the KSE 100 to reach a PE multiple of 6x, translating to a KSE 100 index of near 124,000. Risks to the upside are, missing targets of major IMF benchmarks at quarter ends, hike in global oil prices, and local political upheavals.

## Performance Overview:

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

	2024	2023
	Pak Rupees	
Profit/(Loss) for the year before tax	(21,898,204)	7,184,610
Net Profit/(Loss) for the year after tax	(23,133,528)	1,958,216
Earnings Per Share	(0.41)	0.03

During the period, your company posted loss after tax of PKR23.133 million compared to a profit after tax of PKR 1.958 million for the same period of the previous year, translating to a loss per share of PKR0.41 compared to profit of PKR0.03 of the previous year.

Brokerage income increased to PKR31.054 million from PKR18.830 million for the same period of last year depicting an increase of 65% primarily driven by increased turnover at the PSX. The Advisory and related income of your company reduced to PKR8.75 million compared to PKR20.580 million of the previous.

Operating and administrative expenses during the period increased to PKR25.804 million and PKR28.74 million, respectively showing increase of 4.5% and 13%, respectively over last year as the company is investing to enhance its revenue streams.

A significant increase of 2x was seen in finance cost amid all-time high interest rates, while other income of your company improved by 141%.

The Board is committed to implementing a long-term growth-oriented business strategy where increasing revenue is targeted not only through increasing brokerage business, but also targeting new and emerging opportunities in capital markets and investment banking, advisory, and related services segments as the country is expected to gradually come out of the current challenging environment.

For and on behalf of the Board of Directors.

**Dated: October 30, 2024.**



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**Muhammad Najam Ali**  
Chief Executive Officer



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**Ali Akhtar Ali**  
Director

## Condensed Interim Financial Position As At September 30, 2024

	Note	30 September 2024	30 June 2024
----- (Rupees) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	19,550,152	22,757,128
Right of use assets		42,279,007	44,889,587
Intangible assets	7	196,315,622	184,882,225
Investment in term finance certificates		4,038,447	4,020,000
Long term deposits	8	13,264,761	5,264,761
Deferred tax asset - net		10,866,031	9,088,829
		<b>286,314,020</b>	<b>270,902,530</b>
<b>Current assets</b>			
Short term investments	9	71,005,140	101,275,845
Investment in marginal financing system	10	-	-
Trade debts	11	115,012,591	122,876,159
Deposits and prepayments	12	57,239,214	94,340,383
Advances and other receivables	13	29,359,962	9,994,030
Income tax refundable		42,339,839	40,779,637
Cash and bank balances	14	316,065,724	225,754,169
		<b>631,022,470</b>	<b>595,020,223</b>
<b>Total assets</b>		<b>917,336,490</b>	<b>865,922,753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserve</b>			
Authorised capital 100,000,000 (30 June 2022: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	15	569,250,000	569,250,000
Discount on issue of shares		(50,000,000)	(50,000,000)
Revenue Reserves			
Unappropriated profits / (loss)		(136,063,538)	(112,930,010)
Fair value reserves		-	-
		<b>383,186,462</b>	<b>406,319,990</b>
<b>Non-current liabilities</b>			
Lease Liabilities		43,722,743	41,535,736
<b>Current liabilities</b>			
Unclaimed dividend		3,004,827	3,004,827
Current portion of lease liabilities		10,266,322	10,266,322
Short term borrowing - secured		150,000,000	150,000,000
Trade and other payables	16	327,156,136	254,795,878
Contract liability		-	-
		<b>490,427,285</b>	<b>418,067,027</b>
<b>Total equity and liabilities</b>		<b>917,336,490</b>	<b>865,922,753</b>
Contingencies and commitments	17		

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**Condensed Interim Statement Of Profit Or Loss  
for the quarter ended September 30, 2024**

	Note	(Unaudited)	
		For the quarter ended	
		30 September 2024	30 September 2023
		----- (Rupees) -----	
Operating revenue	18	39,804,997	39,410,719
Capital (loss) / gain on sale of investments		(11,230,320)	15,441,608
Unrealised loss on remeasurment of investments - Fair value through profit or loss		(3,599,709)	(842,017)
Operating expenses	19	(25,804,563)	(24,673,653)
Administrative expenses	20	(28,724,290)	(33,059,620)
Impairment reversal /(loss) on trade debts		506,779	8,918,839
Finance cost	21	(10,230,578)	(5,235,405)
		(39,277,684)	(39,529)
Other income	22	17,379,480	7,224,139
Profit before taxation		(21,898,204)	7,184,610
Taxation			
- Current		(3,012,526)	(3,956,690)
- Prior		-	-
- Deferred		1,777,202	(1,269,704)
		(1,235,324)	(5,226,394)
<b>Profit for the year</b>		<b>(23,133,528)</b>	<b>1,958,216</b>
<b>Earnings per share - basic and diluted</b>	24	<b>(0.41)</b>	<b>0.03</b>

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer




Director




## Condensed Interim Cash Flows Statement for the quarter ended September 30, 2024

		(Unaudited)	
		For the quarter ended	
		30 Sept 2024	30 Sept 2023
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Note		
Profit before taxation		(21,898,204)	7,184,610
<b>Adjustments for:</b>			
Depreciation of property and equipment	20	3,206,976	5,494,040
Depreciation on Right of use asset	20	2,610,628	1,273,679
Amortisation of intangible assets	20	41,253	41,253
Capital loss / (gain) on sale of investments		11,230,320	(15,441,608)
investments - Fair value through profit or loss		3,599,709	842,017
Mark-up on bank balances	22	(12,472,553)	(5,884,404)
Profit on cash margin	22	(2,462,040)	(1,070,000)
Impairment reversal /(loss) on trade debts		506,779	8,918,839
Dividend income	22	(2,344,500)	-
Other income		(100,387)	(201,653)
Finance cost	21	10,230,578	5,235,405
		<u>14,046,763</u>	<u>(792,432)</u>
<i>Cash flows before working capital changes</i>		(7,851,441)	6,392,178
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Trade debts		8,370,347	132,184,797
Advances, deposits, prepayments and other receivables		17,735,237	20,045,711
		<u>26,105,584</u>	<u>152,230,508</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		61,330,382	(93,047,220)
<i>Cash used in operating activities</i>		<u>79,584,525</u>	<u>65,575,466</u>
Finance cost paid		(8,043,567)	(56,784)
Taxes paid		(7,600,241)	(4,980,265)
<b>Net cash used in operating activities</b>		<u>63,940,717</u>	<u>60,538,417</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property and equipments	6	-	(392,457)
Purchase in intangible		(11,433,397)	(12,435,717)
Payments against investment in margin financing system	10	-	(4,861,539)
Receipts from investment in margin financing system	10	-	1,595,425
Investments - net		30,270,705	143,389,741
Mark-up received on bank balances and exposure margin		14,934,593	6,954,404
Dividend received		2,344,500	-
Long term deposits		(8,000,000)	(500,000)
<b>Net cash generated from investing activities</b>		<u>28,116,401</u>	<u>133,749,857</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rental paid		(1,745,563)	(1,616,261)
Dividends paid		-	-
<b>Net cash (used in) / generated from financing activities</b>		<u>(1,745,563)</u>	<u>(1,616,261)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>90,311,555</u>	<u>192,672,013</u>
Cash and cash equivalents at beginning of the year		75,754,169	(62,659,233)
<b>Cash and cash equivalents at end of the year</b>		<u>166,065,724</u>	<u>130,012,780</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>			
Cash and bank balances		316,065,724	280,012,780
Short term borrowing - secured		(150,000,000)	(150,000,000)
		<u>166,065,724</u>	<u>130,012,780</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**Statement Of Changes In Equity**  
**for the quarter ended September 30, 2024**

	Issued, subscribed and paid-up capital	Discount on issue of shares	Revenue Reserve		Total
			Unappropriated Profit / (loss)	Fair value Reserve	
----- (Rupees) -----					
<b>Balance as at 30 June 2022</b>	569,250,000	(50,000,000)	6,010,281	-	525,260,281
<b>Total comprehensive income for the year</b>					
Total comprehensive income / (Loss) for the period			(97,213,659)		(97,213,659)
Bonus shares issued during the year					-
Gain on sale of FVOCI investment during the year					
Transfer of realized gain from fair value reserve to unappropriated profit on disposal of investment					
<b>Balance as at 30 June 2023</b>	569,250,000	(50,000,000)	(91,203,378)	-	428,046,622
Total comprehensive income / (Loss) for the period			(21,726,632)		(21,726,632)
Bonus shares issued during the year					
Gain on sale of FVOCI investment during the year					
Transfer of realized gain from fair value reserve to unappropriated profit on disposal of investment					
<b>Balance as at 30 June 2024</b>	569,250,000	(50,000,000)	(112,930,010)	-	406,319,990
Total comprehensive income / (Loss) for the period			(23,133,528)		(23,133,528)
			(23,133,528)		(23,133,528)
<b>Balance as at 30 September 2024</b>	<b>569,250,000</b>	<b>(50,000,000)</b>	<b>(136,063,538)</b>	<b>-</b>	<b>383,186,462</b>

  
\_\_\_\_\_  
Chief Executive Officer

  
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Chief Financial Officer

  
\_\_\_\_\_  
Director

## **Notes To The Condensed Interim Financial Information (Un-audited) For the Three months period ended 30 September 2024**

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### **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 repealed 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 Pakistan Stock Exchange Limited 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 Company has branches at the following locations:

- 63-A, Agora Eden city, DHA Phase 8, Lahore.

#### **1.1 Impact of COVID-19 on the financial statements**

The Company has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Company has implemented actions to mitigate the impact of COVID-19, including steps to protect the employees in line with guidance from government, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), management believes that the Company's operations will continue to experience only limited disruption due to the impact of the COVID-19 pandemic. The Company's operation has remained materially unaffected since the outbreak of the COVID-19 pandemic, due to robust Company-led incident management framework. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June 2023.

**2.3** This condensed interim financial information is unaudited, prepared on historical cost convention except for certain investments which are carried at fair value, is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulation of Pakistan Stock Exchange.

2.4 This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency. All financial information presented in Pakistan Rupee has been rounded off to the nearest zero.

2.5 The comparative balance sheet and the condensed interim statement of changes in equity presented in this condensed interim financial information as at 30 September 2024 has been extracted from the audited financial statements of the Company for the year ended 30 June 2024, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement, are extracted from the unaudited condensed interim financial information for the three months period ended 30 September 2023.

**2.6 Basis of Measurement**

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

**2.7 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. ACCOUNTING POLICIES**

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are same as those applied in the preparation of the financial statements for the year ended 30 June 2024.

**3.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

Certain new amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2019 but are considered not to be relevant or to have any significant effect on this condensed interim financial information.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2023.

**5. FINANCIAL RISK MANAGEMENT**

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 2024.

**6. PROPERTY AND EQUIPMENTS**

	Note	30 September 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees) -----			
Opening written down value		22,757,128	37,255,427
Additions during the period / year - at cost			
- Furniture and fixtures		-	-
- Vehicles - owned / leased		-	-
- Leashold improvements		-	-
- Computers and related accessories		-	1,572,871
		-	1,572,871
Written down value of deletions during the period / year		-	-
Depreciation for the period / year		(3,206,976)	(16,071,170)
		(3,206,976)	(16,071,170)
Closing written down value		19,550,152	22,757,128

## 7. INTANGIBLE ASSETS

Pakistan Mercantile Exchange - Membership card		<b>950,000</b>	950,000
Trading Right Entitlement Certificate (TREC)	7.1	<b>2,500,000</b>	2,500,000
Software	7.2	<b>20,783</b>	62,036
Capital work in progress	7.3	<b>192,844,839</b>	181,370,189
		<b>196,315,622</b>	<b>184,882,225</b>

7.1 This represents TREC acquired on surrender of Stock Exchange Membership Card.

PSX vide notice no. PSX/N- 7178, dated 10 November 2017, has revised the notional value of TRE Certificate from Rs. 5 million to Rs. 2.5 million.

	Note	30 September 2024 (Un-audited)	30 June 2024 (Audited)
		----- (Rupees) -----	
<b>7.2 Particulars - software and applications</b>			
<i>Net carrying value basis</i>			
Opening net book value		<b>62,036</b>	226,151
Additions		-	-
Amortisation charge		<b>(41,253)</b>	(164,115)
Closing net book value		<b>20,783</b>	62,036
<i>Gross carrying value</i>			
Cost		<b>5,644,660</b>	5,644,660
Accumulated amortisation		<b>(5,623,877)</b>	(5,582,624)
Net book value		<b>20,783</b>	62,036
Amortisation rate		<b>33%</b>	33%
<b>7.3 Capital work in progress</b>			
Opening		<b>181,370,189</b>	128,640,112
Capital expenditure incurred during the period		<b>11,474,650</b>	52,730,077
Transfer to intangible assets		-	-
Closing		<b>192,844,839</b>	181,370,189
		<b>30 September 2024 (Un-audited)</b>	<b>30 June 2024 (Audited)</b>
		----- (Rupees) -----	
<b>8. LONG TERM DEPOSITS</b>			
	Note		
Pakistan Stock Exchange Limited	8.1	<b>8,000,000</b>	-
Central Depository Company of Pakistan Limited		<b>125,000</b>	125,000
National Clearing Company of Pakistan Limited		<b>1,400,000</b>	1,400,000
Pakistan Mercantile Exchange	8.2	<b>1,750,000</b>	1,750,000
Security deposit against office premises		<b>1,869,761</b>	1,869,761
Security deposit against PSO card		<b>120,000</b>	120,000
		<b>13,264,761</b>	<b>5,264,761</b>

8.1 This includes deposits placed with Pakistan Stock Exchange Limited for taking exposures in regular, future market and cash deposited against BMC requirement.

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

9. SHORT TERM INVESTMENT CLASSIFIED AS "AT FAIR VALUE THROUGH PROFIT OR LOSS"	Note	30 September	30 June
		2024 (Un-audited)	2024 (Audited)
		----- (Rupees) -----	
Listed shares	9.1	<b>71,005,140</b>	<b>101,275,845</b>

#### 9.1 Listed shares

30 September 2024 (Un-audited) (Number of shares)	30 June 2024 (Audited)	Name of investee	30 September 2024		30 June 2024	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value
-	600,000	D.G.Khan Cement Factory Limited	-	-	53,960,912	54,162,000
<b>1,563,000</b>	1,187,095	Bankislami Pakistan Limited	<b>36,949,320</b>	<b>32,010,240</b>	26,956,979	26,424,735
-	1,990,000	JS Bank Limited	-	-	18,937,400	19,442,300
-	5,074	TPL Reit Fund 1	-	-	81,184	76,110
<b>10,000</b>	10,000	Otsuka (Pak) Ltd.	<b>1,449,822</b>	<b>1,325,700</b>	1,449,822	1,170,700
<b>50,000</b>	-	Haleon	<b>26,600,899</b>	<b>27,469,500</b>	-	-
<b>35,000</b>	-	United Bank Limited	<b>9,715,261</b>	<b>10,199,700</b>	-	-
Unrealised gain / (Loss) on re-measurement of investment classified as fair value through profit and loss account			<b>(3,710,162)</b>	-	<b>(110,452)</b>	
			<b>71,005,140</b>	<b>71,005,140</b>	<b>101,275,845</b>	<b>101,275,845</b>

#### 9.2 Term Finance Certificates

30 September 2024 (Un-audited) (Number of certificates)	30 June 2024 (Audited)	Name of investee	30 September 2024		30 June 2024	
			Carrying amount (Un-audited)	Market value	Carrying amount (Audited)	Market value
<b>804</b>	<b>802</b>	Soneri Bank Limited	<b>4,038,447</b>	<b>4,038,447</b>	4,020,000	4,020,000

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

Name of Security	Face Value	Unredeemed face value	Markup rate (per annum)	Maturity	Long term	Rating	Short term
Soneri Bank Limited - III	4,000,000	4,000,000	6 Months KIBOR	Perpetual	AA-	A1+	

#### 10. INVESTMENT IN MARGINAL FINANCING SYSTEM

This amount is given as a 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%.

11. TRADE DEBTS - considered good	Note	2024	2024
		(Un-audited)	(Audited)
		----- (Rupees) -----	
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	11.1	<b>111,922,497</b>	119,729,886
- Brokerage commission		<b>8,751,222</b>	9,040,096
- Equity Shares		<b>1,964,339</b>	1,602,748
- Money market and forex		<b>8,215,087</b>	8,850,762
- Consultancy fee			
- Provision for doubtful debts		<b>(15,840,554)</b>	(16,347,333)
		<b>115,012,591</b>	122,876,159
Receivable from National Clearing Company of Pakistan Limited		-	-
		<b>115,012,591</b>	122,876,159
<b>Provision for doubtful debts</b>			
Opening balance		<b>16,347,333</b>	26,400,604
Additional impairment during the period under IFRS 9 (Reversal)/Impairment during the period - net		<b>(506,779)</b>	(10,053,271)
Closing balance		<b>15,840,554</b>	16,347,333

11.1 This includes trade debts of Rs. 0.790 (30 June 2024: Rs. 1.316 ) receivable from related parties.

#### 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	<b>44,598,040</b>	<b>2,756,728,118</b>
More than five days	11.2	<b>67,324,457</b>	<b>2,665,869,922</b>
		<b>111,922,497</b>	<b>5,422,598,040</b>

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

	Note	30 September 2024 (Un-audited) ----- (Rupees) -----	30 June 2024 (Audited)
<b>12. DEPOSITS AND PREPAYMENTS</b>			
Receivable from NCCPL		-	-
Deposit of exposure margin	12.1	33,728,273	71,710,211
Deposit against Marginal Trading Services	12.2	12,072,431	14,677,923
Prepaid expenses		6,395,560	3,056,270
Sales tax receivables		5,042,950	4,895,979
		<u>57,239,214</u>	<u>94,340,383</u>
<b>12.1</b>	This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 19.00% to 19.00% (30 June 2024: 19.00% to 19.00%) per annum.		
<b>12.2</b>	This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin against trade and sustained losses to date on Marginal Trading Services. These deposits carry profit at rates ranging from 19.00% to 19.00% (30 June 2024: 19.00% to 19.00%) per annum.		
		30 September 2024 (Un-audited) ----- (Rupees) -----	30 June 2024 (Audited)
<b>13. ADVANCES AND OTHER RECEIVABLES</b>			
<i>Considered good</i>			
Advance against salary - secured		1,415,832	880,832
Other receivables and advances - unsecured		27,944,130	9,113,198
Receivable against sale of shares		-	-
		<u>29,359,962</u>	<u>9,994,030</u>
<b>14. CASH AND BANK BALANCES</b>	Note		
Balances with banks:	14.1		
Saving accounts - profit and loss account		266,479,689	199,254,787
Current accounts - Conventional		8,195,631	22,719,762
Current accounts - Shariah Compliant		41,358,369	3,761,613
		<u>316,033,689</u>	<u>225,736,162</u>
Cash in hand		32,035	18,000
		<u>316,065,724</u>	<u>225,754,162</u>
<b>14.1</b>	This includes Rs. 302.575 million (30 June 2024: Rs. 201.486) million kept in designated bank accounts maintained on behalf of clients. Profit rate on saving accounts ranges from 18.00% to 19.00% per annum (30 June 2024: 20.50% to 20.50% per annum).		
		30 September 2023 (Un-audited) ----- (Rupees) -----	30 June 2023 (Audited)
<b>15. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
<b>15.1 Issued, subscribed and paid-up capital</b>			
Ordinary shares of Rs. 10 each fully paid in cash		450,000,000	450,000,000
Issued as bonus shares - 10%		45,000,000	45,000,000
Issued as bonus shares-15%		74,250,000	74,250,000
		<u>569,250,000</u>	<u>569,250,000</u>

## 15.2 Pattern of shareholding

Categories of Shareholders	Number of shares held	% of shares held
<b>Companies</b>		
<b>Directors and their spouse(s) and minor children</b>		
<b>Name:</b>		
1.Muhammad Najam Ali	15,645,836	27.48
2.Mrs. Hanna Khan	4,408,401	7.74
3.Muhammad Zulqarnain Mehmood Khan	9,005,908	15.82
4.Ali Akhtar Ali	1	
5.Lt. General (Retd.) Tariq Waseem Ghazi	30,517	0.054
6.Hassan Shahnawaz	2,846	0.005
7.Malik Khurram Shahzad	1,265	0.002
Associated companies, undertakings and related parties	-	-
Executives	-	-
Public Sector Companies and Corporations	-	-
Banks, development finance institutions, non- banking finance companies, insurance companies, takaful, modarabas and pension funds	5,516,032	9.690
Others	22,314,194	39.199
<b>Total</b>	<b>56,925,000</b>	<b>100.00</b>
<b>Shareholders holding 5% or more</b>		
Muhammad Najam Ali	15,645,836	27.485
Muhammad Zulqarnain Mehmood Khan	9,005,908	15.821
Adnan Afridi	5,691,867	9.999
Maple Leaf Cement Factory Ltd	4,269,375	7.500
MCB Bank Limited - Treasury	5,516,032	9.690
Mrs. Hanna Khan	4,408,401	7.744

	Note	30 September 2024 (Un-audited)	30 June 2024 (Audited)
----- (Rupees) -----			
<b>16. TRADE AND OTHER PAYABLES</b>			
Trade creditors	16.1	298,699,274	198,598,674
Payable to National Clearing Company of Pakistan Limited		-	9,067,484
Future exposure margins & profits payable to client		-	-
Accrued commission to traders	16.2	2,466,924	-
Accrued salaries and other expenses		1,186,824	1,530,152
Auditor's remuneration		1,377,000	1,377,000
Tax deducted at source		3,331,829	4,268,412
Commission payable	16.3	78,252	78,252
Accrued expenses		(446,334)	-
Markup payable		7,913,333	8,479,253
Other payables		7,626,681	14,068,111
IPS Accounts		4,922,353	17,328,540
Commercial paper		-	-
		<b>327,156,136</b>	<b>254,795,878</b>

16.1 This includes trade payable of Rs. 0.111 (30 June 2024: Rs. 0.159) million to related parties.

16.2 This includes commission payable of Rs. "1.242" (30 June 2024: Rs. "Nil") million to related parties.

16.3 This represents commission payable to a foreign brokerage house.



## 17. CONTINGENCIES AND COMMITMENTS

- 17.1** 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.

- 17.1.2** 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.

- 17.1.3** 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 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.

### 17.2 Commitments

For sale of quoted securities under future contracts against counter commitments

257,925,540 30,107,110

For purchase of quoted securities under future contracts against counter commitments

53,090,000 85,600

	Note	Quarter ended	
		30 September	
		2024	2023
		----- (Rupees) -----	
<b>18. OPERATING REVENUE</b>			
Brokerage income	18.1 & 18.2	31,054,997	18,830,558
Advisory / consultancy fee		8,750,000	20,580,161
		<u>39,804,997</u>	<u>39,410,719</u>
18.1	This includes brokerage earned from related parties amounting to Rs. "Nil" (30 September 2023: Rs.0.475) million.		
18.2	This includes Rs. 15.065 (30 September 2023: Rs. 8.918) million brokerage income earned from institutional clients, Rs. 15.989 (30 September 2023: Rs. 9.912) million brokerage income earned from retail clients and Rs. "Nil" (30 September 2022: Rs. "Nil") brokerage income earned on proprietary trades.		
<b>19. OPERATING EXPENSES</b>			
Salaries, wages and other benefits		17,153,503	17,126,136
Consultancy fee	19.1	800,000	1,250,000
Commission and referral fee	19.2	4,281,370	1,904,909
Service and transaction charges		2,343,813	2,107,968
Fees and subscription		1,225,877	2,284,640
		<u>25,804,563</u>	<u>24,673,653</u>
19.1	This includes consultancy fee to the directors of the Company amounting to Rs. "Nil" (30 September 2023: Rs. "Nil") million.		
19.2	This includes commission to the directors of the Company amounting to Rs. 1.560 (30 September 2023: Rs. 0.118) million.		
<b>20. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits		12,940,362	12,919,717
Telephone and communication charges		923,199	1,086,506
Utility charges		2,235,425	2,048,153
Vehicle running expenses		1,699,261	2,875,530
Depreciation on right of use assets		2,610,628	1,273,679
Depreciation		3,206,976	5,494,040
Amortisation		41,253	41,253
Legal and professional charges		266,000	279,620
Auditor's remuneration		-	317,250
Insurance		512,210	498,000
Printing, stationery and postage charges		279,778	261,806
Office supplies		385,814	436,387
Office repair and maintenance		583,271	791,517
Fees and subscription		251,083	467,938
Travelling and entertainment charges		378,516	2,249,422
Generator Fuel		232,209	185,020
Advertisement expenses		-	-
Security expense		1,797,585	500,364
Miscellaneous expenses		380,720	1,333,418
		<u>28,724,290</u>	<u>33,059,620</u>
<b>21. Financial charges</b>			
Bank charges		130,234	56,784
Interest on lease liabilities		2,187,011	1,434,189
Mark up expense		7,913,333	3,744,432
Interest on commercial paper		-	-
		<u>10,230,578</u>	<u>5,235,405</u>
<b>22. OTHER INCOME</b>			
Mark-up / interest on:			
- Bank balances (under mark-up arrangements)		12,472,553	5,884,404
- Investment in Marginal Financing System		-	-
- Exposure margin		2,462,040	1,070,000
Dividend income		2,344,500	-
Gain on disposal of property and equipment		-	-
Miscellaneous income		100,387	269,735
		<u>17,379,480</u>	<u>7,224,139</u>

**23. CURRENT STATUS OF TAX ASSESSMENTS**

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

**24. EARNINGS PER SHARE - BASIC AND DILUTED**

	<b>Quarter ended</b>	
	<b>30 September 2023</b>	30 September 2022
Profit / (loss) for the period	<u>(23,133,528)</u>	1,958,216
Weighted average number of ordinary shares in issue during the period	<u>56,925,000</u>	<u>56,925,000</u>
Earnings per share basic & diluted	<u>(0.41)</u>	<u>0.03</u>

**25. 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 may be 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 financial information are as follows:

## 25.1 Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	(Rupees)					
Managerial remuneration	3,000,000	3,000,000	1,600,000	1,600,000	10,860,677	11,205,172
House rent allowance	1,200,000	1,200,000	640,000	640,000	4,344,271	4,482,069
Medical	300,000	300,000	160,000	160,000	354,319	1,120,517
Commission	-	-	1,398,589	118,084	1,341,827	926,798
Consultancy fee	-	-	-	-	-	-
Directors' fees	-	-	-	-	-	-
	<b>4,500,000</b>	<b>4,500,000</b>	<b>3,798,589</b>	<b>2,518,084</b>	<b>16,901,094</b>	<b>17,734,556</b>
Number of persons	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>19</b>	<b>20</b>

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

## 25.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs. "Nil" (30 September 2023: Rs. "Nil" million).

## 26. 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).

## 27. Date of authorisation for issue

These financial statements have been authorised for issue on 30 October 2024 by the Board of Directors of the Company.



\_\_\_\_\_  
Chief Executive



\_\_\_\_\_  
Director



\_\_\_\_\_  
Chief Financial Officer