



**Half Yearly Report  
December 2023**

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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. Ali Akhtar Ali          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>	

### **Economic Review and Outlook**

Outlook on Pakistan's economy significantly improved during the period under review after signing of the USD3 billion 9-month Stand-by Arrangement (SBA) with the IMF in the beginning of the year followed by receipt of USD1.2bn as its first tranche, and successful completion of first review with staff level agreement in November 2023. Along with developments on the IMF front, inflows and roll-overs from friendly countries including China, Saudi Arabia and UAE, and restricted deficits in the current account of balance of payments greatly helped Pakistan in increasing foreign exchange reserves to USD12.7 billion compared to USD9.2 billion at the end of FY2022-2023. Effective measures to control exchange rate during the early part of the period under review, particularly in the open market leading to 1.4% appreciation in PKR against USD in the interbank market, and decelerating inflation out-turns allowed the Monetary Policy Committee (MPC) of the central bank to maintain status quo in policy rate at 22%. With expectations of interest rate peaking at current levels, 6-month KIBOR came down by 148 basis points to 21.5%. This was all achieved whilst the governance was being shifted to the caretaker setup in August 2023 amidst political uncertainties and concerns on date of elections.

Subsequent to the period under review Pakistan received the second tranche of the ongoing IMF program, and general elections took place on February 8, 2024. After a prolonged period of uncertainties, eventual formation of the government will lead to political stability, which will allow authorities to focus on core economic challenges and negotiating a new, bigger and long-term program with the IMF for long-pending structural reforms, and improvement in credit rating of the country. Delays in materialization of expected foreign exchange inflows, uptrend in international commodities' prices, and persistent political instability post-elections are key risks.

### **Equities market performance and outlook**

KSE100 Index opened the period under review on a positive note after the new SBA with the IMF and made a high of 49,405 in August 2023. It however, succumbed to pressures on the exchange rate and made a low of 43,405 by the end of the same month. Following measures of the government, central bank, and law enforcement agencies to stop illicit practices in the open market, and anticipation of peaking of interest rates with the first cut expected in first half of 2024, the market regained confidence and the KSE100 Index made an all-time high of 67,094 in December 2023. However, political uncertainties relating to date of holding general elections led to sliding of the index to close the period under review at 62,451 level, gaining 50.7%, 20,998 points. In US Dollars term, the KSE100 Index gained 52.9%. With increased investor confidence market turnover also increased significantly with average daily volumes of 477.6 million shares and average daily value traded of PKR14.4 billion compared to 219.3 million shares and PKR6.7 billion, respectively of the same period last year. Foreign investors bought equities worth USD71 million during the period under review across the board where most of the local participants opting to book profits except insurance companies, and companies who were net buyers during the period under review.

Going forward investor confidence is expected to improve further with the expected political stability after formation of the new government, successful completion of the ongoing IMF SBA, negotiations for a new IMF program, and expected cut in interest rates later this year amid decelerating inflation. The domestic bourse still trades at low multiples, and offers healthy dividend yields that are still competitive with fixed income returns.

## Performance Overview:

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

	Dec - 2023	Dec - 2022
	Pak Rupees	
Accumulated profit/(loss) as at July 01	(91,203,378)	80,260,281
Net Profit/(Loss) for the period	1,975,030	(51,543,267)
Accumulated profit/(loss) as at December 31	(89,228,347)	(45,532,986)
Earnings Per Share	0.03	(0.91)

During the period under review, your company posted a profit after tax of PKR2 million compared to a loss after tax of PKR51.5 million of the same period last year, translating to earnings per share of PKR0.03 compared to loss per share of PKR0.91 of the same period year.

Brokerage income increased to PKR64 million from PKR52.4 million of the same period last year depicting an increase of 22.3% primarily driven by increased turnover at the PSX. The Advisory and related income of your company also improved to PKR25.2 million compared to PKR18.6 million of the same period last year, increasing by 36.3%. With a healthy performance of capital markets, your company also booked capital gains amounting to PKR30.4 million compared to a loss of PKR6.5 million of the same period last year.

Operating and administrative expenses during the period increased to PKR53.2 million and PKR66.1 million, respectively showing increase of 5.8% and 4.4%, respectively over the same period last year.

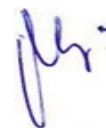
The Board is committed to implementing a long-term growth-oriented business strategy where increasing revenue is targeted not only through increasing brokerage business but also targeting new and emerging opportunities in capital markets and investment banking, advisory, and related services segments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

For and on behalf of the Board of Directors.

**Dated: 28<sup>th</sup> February 2024**



**Muhammad Najam Ali**  
Chief Executive Officer



**Ali Akhtar Ali**  
Director

Baker Tilly Mehmood Idrees Qamar  
Chartered Accountants  
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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, 2023 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 six months period 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**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 inquires, 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, 2023 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



ADVISORY • ASSURANCE • TAX

Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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

A small, handwritten signature in black ink, appearing to be 'M.A.R.'.A handwritten signature in black ink, appearing to be 'Baker Tilly Mehmood Idrees Qamar'.

Baker Tilly Mehmood Idrees Qamar  
Chartered Accountants

Karachi.

Date: February 28, 2024

UDIN: RR202310151LIK7li8b9

**CONDENSED INTERIM FINANCIAL POSITION AS AT DECEMBER 31, 2023**

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	Rupees	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	5 27,464,239	37,255,427
Right of use assets	6 22,926,222	25,473,580
Intangible assets	7 156,374,564	132,316,263
Investment in term finance certificates	8 4,020,000	4,020,000
Long term deposits	9 5,264,761	4,764,761
Deferred tax asset - net	8,681,237	9,933,918
	<b>224,731,023</b>	<b>213,763,949</b>
<b>Current assets</b>		
Short term investments - fair value through profit or loss	10 120,437,080	205,957,399
Investment in marginal financing system	11 4,516,662	-
Trade debts	12 207,064,403	217,288,698
Deposits and prepayments	13 153,055,377	47,640,996
Advances and other receivables	14 8,815,867	3,617,353
Advance tax	40,169,601	41,208,698
Cash and bank balances	15 211,681,133	87,340,767
	<b>745,740,123</b>	<b>603,053,911</b>
<b>Total assets</b>	<b>970,471,146</b>	<b>816,817,860</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised share capital 100,000,000 (June 2023: 100,000,000) Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up share capital	16 569,250,000	569,250,000
Discount on issue of shares	(50,000,000)	(50,000,000)
Accumulated losses	(89,228,347)	(91,203,378)
	<b>430,021,653</b>	<b>428,046,622</b>
<b>Non-current liabilities</b>		
Lease liabilities	26,264,237	25,399,711
<b>Current liabilities</b>		
Unclaimed dividend	3,004,827	3,004,827
Current portion of lease liabilities	8,910,322	8,910,322
Short term borrowing - secured	17 149,995,256	150,000,000
Trade and other payables	18 352,274,851	201,456,378
	<b>514,185,256</b>	<b>363,371,527</b>
<b>Total equity and liabilities</b>	<b>970,471,146</b>	<b>816,817,860</b>
<b>Contingencies and commitments</b>	19	

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



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	Six months period ended December 31,		Three months period ended December 31,	
		2023	2022	2023	2022
		----- Rupees -----			
Operating revenue	20	79,043,888	62,995,822	39,633,169	33,426,464
Gain / (loss) on sale of investments		30,400,000	(6,516,575)	14,958,392	2,265,948
Unrealised gain on remeasurement of investments - fair value through profit or loss	10.1	4,772,378	(9,622,686)	5,614,395	(9,117,498)
Operating expenses	21	(53,423,334)	(50,506,355)	(28,749,681)	(22,947,851)
Administrative expenses	22	(66,139,673)	(63,374,235)	(33,080,053)	(32,254,985)
(Provision) / reversal for impairment on trade debts	12.1	11,119,856	(4,571,161)	2,201,017	(4,116,071)
		5,773,115	(71,595,190)	577,239	(32,743,993)
Finance cost		(16,081,716)	(5,366,248)	(10,846,311)	(3,317,488)
Other income	23	21,972,567	25,448,646	14,748,428	10,518,093
<b>Profit / (loss) before taxation</b>		<b>11,663,966</b>	<b>(51,512,792)</b>	<b>4,479,356</b>	<b>(25,543,388)</b>
<b>Taxation</b>	24				
- Current		(8,436,254)	(3,851,626)	(4,479,564)	(1,832,451)
- Deferred		(1,252,681)	3,821,151	17,023	1,547,997
		(9,688,935)	(30,475)	(4,462,541)	(284,454)
<b>Profit / (loss) after taxation</b>		<b>1,975,031</b>	<b>(51,543,267)</b>	<b>16,815</b>	<b>(25,827,842)</b>
<b>Earnings / (loss) per share - basic and diluted</b>	25	<b>0.0347</b>	<b>(0.9055)</b>	<b>0.0003</b>	<b>(0.5218)</b>

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31,		Three months period ended December 31,	
	2023	2022	2023	2022
	----- Rupees -----			
Profit / (loss) after taxation	1,975,031	(51,543,267)	16,815	(25,827,842)
<b><u>Other comprehensive income</u></b>				
<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	-	-	-	-
<b>Total comprehensive income/ (loss)</b>	<b>1,975,031</b>	<b>(51,543,267)</b>	<b>16,815</b>	<b>(25,827,842)</b>

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	Six months period ended	
		December 31,	
		2023	2022
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	26	81,224,413	(11,591,136)
Finance cost paid		(13,600,929)	(2,707,248)
Taxes paid		(4,134,788)	(2,260,540)
<b>Net cash used in operating activities</b>		<b>63,488,696</b>	<b>(16,558,924)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of fixed assets		(670,753)	(1,638,825)
Purchase of Intangibles		(24,140,807)	(33,280,364)
Proceeds from sale of property and equipment		-	4,198,500
Payment against investment in marginal financing system		(90,910,222)	(35,686,098)
Receipts against investment in marginal financing system		88,413,114	30,595,091
Short term investments made during the period		(2,570,416,196)	(1,067,762,088)
Short term investments disposed off during the period		2,648,995,689	1,038,328,632
Mark-up received on bank deposits		15,462,220	13,087,829
Mark-up received on exposure margin		2,880,560	4,039,617
Mark-up received on investment in Margin Trading System		-	857,650
Mark-up received on investment in Margin Financing System		2,040,258	155,760
Other income		1,589,529	4,402,448
Long term deposits		(500,000)	12,900,000
<b>Net cash generated from / (used in) investing activities</b>		<b>72,743,392</b>	<b>(29,801,848)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rental paid		(11,891,722)	(10,865,074)
<b>Net cash used in financing activities</b>		<b>(11,891,722)</b>	<b>(10,865,074)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>124,340,366</b>	<b>(57,225,846)</b>
Cash and cash equivalents at beginning of the period		87,340,767	221,673,403
Short term borrowing - secured		(149,995,256)	(149,987,960)
<b>Cash and cash equivalents at end of the period</b>	27	<b>61,685,877</b>	<b>14,459,597</b>

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Issued, subscribed and paid-up share capital	Discount on issue of shares	Accumulated profit / (loss)	Total
	(Rupees)			
<b>Balance as at July 01, 2022</b>	<b>495,000,000</b>	<b>(50,000,000)</b>	<b>80,260,281</b>	<b>525,260,281</b>
Bonus shares issued during the period	74,250,000	-	(74,250,000)	-
Total comprehensive loss for the period	-	-	(51,543,267)	<b>(51,543,267)</b>
<b>Balance as at December 31, 2022</b>	<b>569,250,000</b>	<b>(50,000,000)</b>	<b>(45,532,986)</b>	<b>473,717,014</b>
<b>Balance as at July 01, 2023</b>	<b>569,250,000</b>	<b>(50,000,000)</b>	<b>(91,203,378)</b>	<b>428,046,622</b>
Total comprehensive income for the period	-	-	1,975,031	<b>1,975,031</b>
<b>Balance as at December 31, 2023</b>	<b>569,250,000</b>	<b>(50,000,000)</b>	<b>(89,228,347)</b>	<b>430,021,653</b>

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



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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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 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

**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, 2023. 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, 2023, whereas the comparative condensed interim statement of profit or loss account, 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, 2022.

**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. MATERIAL ACCOUNTING POLICIES INFORMATION

3.1 The material accounting policies information 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, 2023.

## 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, 2023.

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, 2023.

	<b>December 31, 2023 (Unaudited)</b>	June 30, 2023 (Audited)
	----- Rupees -----	
<b>5. FIXED ASSETS</b>		
Opening written down value	<b>37,255,427</b>	60,860,329
Additions during the period / year - at cost	<b>670,753</b>	2,719,650
Written down value of disposals during the period / year	-	(8,289,500)
Depreciation for the period / year	<b>(10,461,941)</b>	(18,035,052)
	<b>(10,461,941)</b>	(26,324,552)
Closing written down value	<b>27,464,239</b>	37,255,427
<b>6. RIGHT OF USE ASSETS</b>		
Opening written down value	<b>25,473,580</b>	19,827,340
Additions during the period / year	-	-
Modification during the period / year	-	11,069,225
Depreciation expense	<b>(2,547,358)</b>	(5,422,985)
Closing written down value	<b>22,926,222</b>	25,473,580

7. INTANGIBLE ASSETS	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		Rupees	
Pakistan Mercantile Exchange Limited - Membership card		950,000	950,000
Trading Right Entitlement Certificate (TREC)	7.1	2,500,000	2,500,000
Software	7.2	143,645	226,151
Capital work in progress	7.3	152,780,919	128,640,112
		<b>156,374,564</b>	<b>132,316,263</b>

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

7.2 Particulars - software	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		Rupees	
<b>Net carrying value basis</b>			
Opening net book value		226,151	389,818
Additions during the period / year		-	-
Amortisation charged during the period / year		(82,506)	(163,667)
<b>Closing net book value</b>		<b>143,645</b>	<b>226,151</b>
<b>Gross carrying value</b>			
Cost		5,644,660	5,644,660
Accumulated amortisation		(5,501,015)	(5,418,509)
<b>Net book value</b>		<b>143,645</b>	<b>226,151</b>
Amortisation rate		<b>33%</b>	<b>33%</b>

7.3 Capital work in progress

Opening		128,640,112	71,954,055
Capital expenditure incurred during the period / year	7.3.1	24,140,807	56,686,057
<b>Closing</b>		<b>152,780,919</b>	<b>128,640,112</b>

7.3.1 This represents the cost capitalised for the development of a software.

8. INVESTMENT IN TERM FINANCE CERTIFICATES

(Un-audited) (Audited)	December 31, 2023	June 30, 2023	Name of investee	Carrying amount	
				(Un-audited) December 31, 2023	(Audited) June 30, 2023
(Number of certificates)				Rupees	
	<u>802</u>	<u>802</u>	Soneri Bank Limited	<u>4,020,000</u>	<u>4,020,000</u>

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

9. LONG TERM DEPOSITS	Note	December 31, 2023	June 30, 2023
		(Unaudited)	(Audited)
		----- Rupees -----	
Central Depository Company of Pakistan Limited		125,000	125,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Pakistan Mercantile Exchange Limited	9.1	1,750,000	1,250,000
Security deposit against office premises		1,869,761	1,869,761
Security deposit against PSO card		120,000	120,000
		<u>5,264,761</u>	<u>4,764,761</u>

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

10. SHORT TERM INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS	Note	December 31, 2023	June 30, 2023
		(Unaudited)	(Audited)
		----- Rupees -----	
Listed securities	10.1	120,437,080	205,957,399
		<u>120,437,080</u>	<u>205,957,399</u>

#### 10.1 Listed securities

December 31, 2023	June 30, 2023	Name of investee	December 31, 2023		June 30, 2023	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value (Audited)
3,720,000	4,792,000	Pakistan Stock Exchange Limited*	31,175,836	37,534,800	47,279,876	35,460,800
-	845,000	Bank Alfalah Limited	-	-	25,808,558	25,721,800
300,000	400,000	D.G.Khan Cement Compnay Limitec	22,377,773	23,220,000	20,059,216	20,520,000
-	2,618,300	Maple Leaf Cement Factory Limited	-	-	72,647,185	74,176,439
-	500,000	TRG Pakistan	-	-	49,654,054	46,065,000
454,000	454,000	TPL Trakker Limited	4,013,360	3,572,980	4,111,445	4,013,360
750,000	-	Bank Islami Pakistan Limited	16,089,651	16,650,000	-	-
150,000	-	Habib Bank Limited	18,482,537	16,626,000	-	-
585,000	-	JS Bank Limited	5,217,415	5,288,400	-	-
125,500	-	Otsuka Pakistan Limited	18,308,130	17,544,900	-	-
<u>6,084,500</u>	<u>9,609,300</u>		<u>115,664,702</u>	<u>120,437,080</u>	<u>219,560,334</u>	<u>205,957,399</u>

Unrealised gain / (loss) on re-measurement of investment - fair value through profit or loss

4,772,378

(13,602,935)

**Market value**

120,437,080

205,957,399

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



## 11. 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 26.41%.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- Rupees -----	
<b>12. TRADE DEBTS</b>			
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients		<b>203,567,730</b>	227,900,617
- Brokerage commission			
- Equity shares		<b>7,874,342</b>	5,805,315
- Money market		<b>1,928,017</b>	783,658
- Consultancy fee		<b>8,975,062</b>	9,199,712
	<b>12.2</b>	<b>222,345,151</b>	243,689,302
Loss allowance for life time expected credit loss (ECL)	<b>12.1</b>	<b>(15,280,748)</b>	(26,400,604)
		<b>207,064,403</b>	217,288,698
<b>12.1 Loss allowance for life time expected credit loss (ECL)</b>			
Opening balance		<b>26,400,604</b>	12,423,642
(Reversal) / charge during the year		<b>(11,119,856)</b>	13,976,962
Closing balance		<b>15,280,748</b>	26,400,604
<b>12.2 Aging analysis</b>			
The aging analysis of the trade debts is as follows:			
- Upto five days		<b>177,119,119</b>	130,223,861
- More than five days		<b>45,226,032</b>	113,465,441
		<b>222,345,151</b>	243,689,302
<b>12.2.1</b>	As per regulation 34(2)(b) of Securities Brokers (Licensing and Operations) Regulations, 2016, 5,370,000 shares of Sally Textile Limited and 150,000 shares of Meezan Bank Limited belonging to customers, having market value of Rs. 16.11 million and Rs. 24.204 million were pledged by the customers with the financial institutions through the Company. As at December 31, 2023, there were "Nil" securities belonging to the Company were pledged with financial institutions.		
<b>12.2.2</b>	Customers assets held in the central depository system consists of 305,031,008 Shares value at Rs. 8,059 million.		
		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- Rupees -----	
<b>13. DEPOSITS AND PREPAYMENTS</b>			
Deposit against exposure margin	<b>13.1</b>	<b>115,132,188</b>	29,313,065
Deposit against marginal trading services	<b>13.2</b>	<b>18,539,825</b>	10,052,862
Prepaid expenses		<b>14,453,248</b>	3,753,261
Sales tax receivables		<b>4,930,116</b>	4,521,808
		<b>153,055,377</b>	47,640,996

**13.1** 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 19.00% to 19.00% per annum (June 30, 2023: 10.75% to 17.00% per annum).

**13.2** 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 19.00% to 19.00% per annum (June 30, 2023: 10.75% to 17.00% per annum).

		<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	----- Rupees -----	
<b>14. ADVANCES AND OTHER RECEIVABLES</b>			
<i>Considered good</i>			
Advance against salary - secured		520,833	907,500
Other receivables and advances - unsecured		8,295,034	2,709,853
		<u>8,815,867</u>	<u>3,617,353</u>

**15. CASH AND BANK BALANCES**

*Balances with banks:*

Saving accounts - profit and loss account	<b>15.1</b>	<b>188,817,238</b>	76,475,247
Current accounts - conventional		<b>4,373,691</b>	9,710,016
Current accounts - shariah compliant		<b>18,474,724</b>	1,134,884
	<b>15.2</b>	<b>211,665,653</b>	87,320,147
Cash in hand		<b>15,480</b>	20,620
		<u>211,681,133</u>	<u>87,340,767</u>

**15.1** Profit rate on saving accounts ranges from 20.50 % to 20.50% per annum (June 30, 2023: 12.25% to 18.5.0% per annum).

**15.2** This include Rs. 202.415 million (June 30, 2023: Rs. 63.128 million) kept in designated bank accounts maintained on behalf of clients.

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	----- Rupees -----	
<b>16. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
<b>16.1 Authorized share capital</b>			
<b>December 31, 2023 (Un-audited)</b>			
<b>June 30, 2023 (Audited)</b>			
<b>(Number of share)</b>			
<u>100,000,000</u>		<u>100,000,000</u>	Ordinary shares of Rs. 10 each
		<u>1,000,000,000</u>	<u>1,000,000,000</u>

## 16.2 Issued, subscribed and paid-up share capital

December 31, 2023 (Un-audited) (Number of share)	June 30, 2023 (Audited)			
45,000,000	45,000,000	Fully paid in cash	450,000,000	450,000,000
4,500,000	4,500,000	Issued as bonus shares - 10%	45,000,000	45,000,000
7,425,000	7,425,000	Issued as bonus shares - 15%	74,250,000	74,250,000
<b>56,925,000</b>	<b>56,925,000</b>		<b>569,250,000</b>	<b>569,250,000</b>

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>17. SHORT TERM BORROWING - SECURED</b>	<b>Note</b>	<b>Rupees</b>
Short term running finance - secured	<b>17.1</b>	<b>149,995,256</b> <b>150,000,000</b>

**17.1** Running finance facility of Rs. 150 million (30 June 2023: Rs. 150 million) has been obtained by the Company from schedule bank having expiry on June 30, 2024 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 30, 2023: 3 month KIBOR + 3.5%).

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>18. TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>Rupees</b>
Trade creditors	<b>18.1</b>	<b>207,394,796</b> 77,232,043
Payable to National Clearing Company of Pakistan Limited		<b>93,069,843</b> 7,817,005
Accrued salaries and other expenses		<b>1,383,366</b> -
Payable to auditors		<b>290,250</b> 1,269,000
Tax deducted at source		<b>4,856,750</b> 721,962
Commission payable	<b>18.2</b>	<b>78,252</b> 78,252
Accrued markup		-      6,606,918
IPS Accounts		<b>2,702,029</b> 13,669,064
Other payables		<b>42,499,565</b> 94,062,134
		<b>352,274,851</b> <b>201,456,378</b>

**18.1** This includes trade payable of Rs. 1 million (June 30, 2023:Rs. 7.82 million) payable to related parties.

**18.2** This represents commission payable to a foreign brokerage house.

## 19. CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

- 19.1.1** 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 November 21, 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 November 28, 2014 and restrained the SRB from demanding any payment till further

The SRB has passed an order on October 11, 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

The Sindh Revenue Board has passed an order on June 30, 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.

- 19.1.2** 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.

	<b>December 31, 2023 (Unaudited)</b>	June 30, 2023 (Audited)
	----- Rupees -----	
<b>19.2 Commitments</b>		
For sale of quoted securities under future contracts against counter commitments	<b><u>422,855,100</u></b>	<u>56,364,595</u>
For purchase of quoted securities under future contracts against counter commitments	<b><u>1,466,625</u></b>	<u>68,942,430</u>

- 19.2.1** 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, 2024.

## 20. OPERATING REVENUE

Note

----- Unaudited -----				
Six months period ended December 31,		Three months period ended December 31,		
2023	2022	2023	2022	
----- Rupees -----				
Brokerage income	64,030,011	52,351,946	42,751,480	25,906,905
Advisory / consultancy fee	25,289,582	18,550,834	2,034,000	11,582,500
Debt capital market services	-	282,500	-	282,500
	<b>89,319,593</b>	<b>71,185,280</b>	<b>44,785,480</b>	<b>37,771,905</b>
Less: Sales tax on services	10,275,705	8,189,458	5,152,311	4,345,441
	<b>79,043,888</b>	<b>62,995,822</b>	<b>39,633,169</b>	<b>33,426,464</b>

### 20.1 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,		
2023	2022	
----- Rupees -----		
- Institutional customers	47,579,033	36,683,185
- Retail clients	31,464,855	26,312,638
	<b>79,043,888</b>	<b>62,995,823</b>

20.2 This includes brokerage earned from related parties amounting to Rs. 0.687 million (December 31, 2022: Rs. 1.077 million).

## 21. OPERATING EXPENSES

Note

----- Unaudited -----				
Six months period ended December 31,		Three months period ended December 31,		
2023	2022	2023	2022	
----- Rupees -----				
Salaries, wages and other benefits	34,272,331	35,318,320	17,146,195	16,362,488
Consultancy fee	2,300,000	3,460,363	1,050,000	1,125,000
Commission and referral fee	7,781,603	3,627,359	5,876,694	836,762
Sub-underwriting commission	-	-	-	-
Service and transaction charges	4,975,977	3,808,106	2,868,009	1,897,079
Fees and subscription	4,093,423	4,292,207	1,808,783	2,726,522
	<b>53,423,334</b>	<b>50,506,355</b>	<b>28,749,681</b>	<b>22,947,851</b>

21.1 This includes consultancy fee to the directors of the Company amounting to Rs. nil (31 December 2022: Rs. 0.637

21.2 This includes commission to the directors of the Company amounting to Rs. 0.955 million (December 31, 2021: Rs. nil).

## 22. ADMINISTRATIVE EXPENSES

	----- Unaudited -----			
	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- Rupees -----			
Salaries, wages and other benefits	28,040,998	28,896,808	15,121,281	14,596,795
Telephone and communication charges	2,194,747	3,402,089	1,108,241	1,183,491
Rent expense	597,692	-	597,692	-
Utility charges	4,116,732	2,794,662	2,068,579	1,250,473
Vehicle running expenses	4,191,326	3,098,339	1,315,796	1,797,849
Depreciation	13,009,299	13,377,507	6,241,580	6,455,561
Amortisation	82,506	82,506	41,253	41,253
Legal and professional charges	1,219,076	534,350	939,456	456,850
Auditor's remuneration	317,250	58,660	-	29,330
Insurance	1,800,000	1,864,496	1,302,000	1,362,496
Printing, stationery and postage charges	519,722	1,011,752	257,916	565,203
Office supplies	656,437	1,096,007	220,050	749,168
Office repair and maintenance	1,626,772	1,652,622	835,255	1,084,263
Fees and subscription	838,412	879,127	370,474	558,444
Travelling and entertainment charges	3,038,041	324,437	788,619	218,641
Advertisement expenses	117,450	991,200	117,450	256,200
Security expense	1,845,992	1,964,023	1,345,628	996,953
Generator Fuel	256,618	237,710	71,598	70,320
Miscellaneous expenses	1,670,603	1,107,940	337,185	581,695
	<b>66,139,673</b>	<b>63,374,235</b>	<b>33,080,053</b>	<b>32,254,985</b>

## 23. OTHER INCOME

### Mark-up / interest on:

- Bank balances (under mark-up arrangements)	15,462,220	13,087,829	9,577,816	6,639,246
- Investment in marginal financing system	2,040,258	155,760	2,040,258	-
- Investment in marginal trading system	-	857,650	-	857,650
- Exposure margin	2,880,560	4,039,617	1,810,560	2,305,194
Dividend income	688,014	3,503,690	688,014	-
Gain on disposal of property and equipment	-	2,905,342	-	-
Miscellaneous income	901,515	898,758	631,780	716,003
	<b>21,972,567</b>	<b>25,448,646</b>	<b>14,748,428</b>	<b>10,518,093</b>

## 24. TAXATION

- 24.1** The income tax returns of the Company have been filed up to tax year 2023 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
- 24.2** 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

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

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.

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

25. LOSS PER SHARE - BASIC AND DILUTED

	----- Unaudited -----			
	Six months period ended December 31,		Three months period ended December 31,	
	2023	2022	2023	2022
	----- Rupees -----			
Profit / loss for the period	<u>1,975,031</u>	<u>(51,543,267)</u>	<u>16,815</u>	<u>(25,827,842)</u>
	----- Number -----			
Weighted average number of ordinary shares in issue during the period	<u>56,925,000</u>	<u>56,925,000</u>	<u>56,925,000</u>	<u>49,500,000</u>
	----- Rupees -----			
Earnings / (loss) per share - basic and diluted	<u>0.0347</u>	<u>(0.9055)</u>	<u>0.0003</u>	<u>(0.5218)</u>

25.1 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.

		<u>Six months period ended</u>	
		<u>December 31,</u>	
		<u>2023</u>	<u>2022</u>
		----- Rupees -----	
<b>26.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	
	Profit / (loss) before taxation		11,663,966 (51,512,792)
	<b>Adjustments for:</b>		
	Depreciation of fixed assets	5	10,461,941 10,134,113
	Depreciation on right of use asset	6	2,547,358 3,243,394
	Amortisation of intangible assets	7.2	82,506 82,506
	Capital loss / (gain) on sale of investments		(30,400,000) 6,516,575
	Unrealised (gain) / loss in the value of investments at 'fair value through profit or loss'	10.1	(4,772,378) 9,622,686
	Mark-up on bank balances	23	(15,462,220) (13,087,829)
	Mark-up on investment in marginal financing system	23	(2,040,258) (155,760)
	Profit on exposure margin	23	(2,880,560) (4,039,617)
	Other income	23	(1,589,529) (4,402,448)
	Finance cost		16,081,716 5,366,248
			(27,971,424) 13,279,868
	<b>Net cash used in operations before working capital changes</b>		(16,307,458) (38,232,924)
	<b>Changes in working capital</b>		
	<b>Decrease / (increase) in current assets</b>		
	Trade debts		21,344,151 95,709,505
	Deposits and prepayments		(105,414,381) (47,649,041)
	Advances and other receivables		(5,198,514) 199,951,149
			(89,268,744) 248,011,613
	<b>(Decrease) / increase in current liabilities</b>		
	Trade and other payables		186,800,615 (221,369,825)
			186,800,615 (221,369,825)
	<b>Cash generated from / (used in) operations</b>		81,224,413 (11,591,136)
<b>27.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	15	211,681,133 164,447,557
	Short term borrowing - secured	17	(149,995,256) (149,987,960)
			61,685,877 14,459,597
<b>28.</b>	<b>TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>		
	<p>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.</p>		
	<p>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:</p>		



## 28.1 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,	
	2023	2022	2023	2022	2023	2022
	----- Rupees -----					
Managerial remuneration	5,506,667	6,000,000	3,200,000	3,200,000	21,447,333	21,838,086
House rent allowance	2,202,667	2,400,000	1,280,000	1,280,000	8,578,933	8,735,234
Medical	550,666	600,000	320,000	320,000	2,144,733	2,183,809
Commission fee	-	-	955,529	-	4,234,423	926,798
Consultancy fee	-	-	-	636,979	-	-
	<b>8,260,000</b>	<b>9,000,000</b>	<b>5,755,529</b>	<b>5,436,979</b>	<b>36,405,423</b>	<b>33,683,927</b>
Number of persons	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>18</b>	<b>15</b>

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

## 28.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs."Nil" (31 December 2022: Rs. 0.636 million).

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

## 29. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

December 31, 2023 - 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	120,437,080	-	-	-	120,437,080	-	-
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**Financial assets not measured at fair value**

Term finance certificates	-	-	4,020,000	-			
Long term deposits	-	-	5,264,761	-			
Trade debts - considered good	-	-	207,064,403	-			
Investment in marginal financing system	-	-	4,516,662	-			
Deposits and prepayments	-	-	148,125,261	-			
Advances and other receivables	-	-	8,815,867	-			
Cash and bank balances	-	-	211,681,133	-			
	<b>120,437,080</b>	-	<b>589,488,087</b>	-			

**Financial liabilities not measured at fair value**

Lease liabilities	-	-	-	35,174,559			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	149,995,256			
Trade and other payables	-	-	-	352,274,851			
	-	-	-	<b>540,449,493</b>			

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	205,957,399	-	-	-	205,957,399	-	-
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**Financial assets not measured at fair value**

Term finance certificates	-	-	4,020,000	-			
Long term deposits	-	-	4,764,761	-			
Trade debts - considered good	-	-	217,288,698	-			
Investment in marginal financing system	-	-	-	-			
Deposits and prepayments	-	-	43,119,188	-			
Advances and other receivables	-	-	3,617,353	-			
Cash and bank balances	-	-	87,340,767	-			
	<b>205,957,399</b>	-	<b>360,150,767</b>	-			

**Financial liabilities not measured at fair value**

Lease liabilities	-	-	-	34,310,033			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	150,000,000			
Trade and other payables	-	-	-	201,456,378			
Contract Liabilities	-	-	-	-			
	-	-	-	<b>388,771,238</b>			

### **30. 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.

### **31. 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 **28<sup>th</sup> February 2024**