



**Quarterly Report
March 2024**

Table of Contents

1 Company Information

02

2 Directors' Report

03

**3 Condensed Interim Financial Position
as at March 31, 2024**

06

**4 Condensed Interim Statement Of Profit Or Loss
for the period ended March 31, 2024**

07

**5 Condensed Interim Statement Of Comprehensive Income
for the period ended March 31, 2024**

08

**6 Condensed Interim Cash Flows Statement
for the period ended March 31, 2024**

09

**7 Statement Of Changes In Equity
for the period ended March 31, 2024**

10

**8 Notes To The Condensed Interim Financial Information
for the period ended March 31, 2024**

11

Company Information

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

Director's Report

Economic Review and Outlook

With improving outlook of Pakistan's economy, political uncertainties ahead of the 2024 general elections also got settled as new elected coalition government was formed and took charge by the end of the period under review. The current 9-month USD3 billion Stand-By Arrangement (SBA) with the IMF sails smoothly with Staff Level Agreement (SLA) on final tranche of USD1.1 billion was reached in March 2024, and now the new government appears committed for a new longer and larger IMF program in order to put the house in order and implement the much-needed structural reforms for achieving sustainable all-inclusive long-term growth.

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 USD13.4 billion compared to USD9.2 billion at the end of FY2022-23. Effective measures to control exchange rate during the early part of the year, that led to 2.8% appreciation in PKR against USD in the interbank market, decelerating inflation out-turns to 20.7% of March 2024 compared to the historic high 38% of May 2023, and GDP growth for the quarter ending December 2023 coming down to 1% from 2.5% of the previous quarter, allowed the Monetary Policy Committee (MPC) of the central bank to maintain policy rate at 22%. However, expectations of interest rate peaking at current levels and in anticipation of monetary easing to commence this year, 6-month KIBOR came down by 126 basis points to 21.7% during the period under review.

With successful completion of the current SBA, Pakistan is heading for a longer and larger program with the IMF focusing on implementation of the much-needed structural reforms. As a result of high base-effect and SBP's tight monetary stance, inflation outturns are decelerating creating room for monetary easing in the months to come. Fiscal account is likely to see some easing with reduced expenditure on debt servicing due to decline in interest rates, along with higher revenues, as FBR is meeting collection target so far. With external support of the IMF and other bilateral and multilateral partners, particularly expected investment from the Saudi Arabia, 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. Tight fiscal policy with a focus on increasing tax-to-GDP ratio along with increased geo-political uncertainties and increase in international commodities' prices, are key risks on overall outlook of Pakistan's economy.

Equities market performance and outlook

Equities market of the country opened the period under review on a positive note after the new SBA with the IMF. Although the overall direction of Pakistan equities during the period under review was positive making new all-time highs, pressure on exchange rate during the earlier part of the year, and prolonged political uncertainties kept investors cautious leading to extreme volatility. However, after general elections concluded with formation of the new government, investors' confidence improved significantly amid commitment of the new government for a new IMF program, expected decline in interest rates, and foreign buying Pakistan equities, along with potential investments in Pakistan by friendly countries including Saudi Arabia. The KSE100 Index closed the period under review 67,005 level, gaining 61.6%, 25,552 points. In USD terms, Pakistan equities posted a healthy return of 66.3%.

With improved investor confidence market turnover increased significantly as average daily volumes climbed up to 451 million shares and average daily value traded to PKR14.4 billion from 202.7 million shares and PKR6.6 billion, respectively of the same period last year. Foreign investors bought equities worth USD74.9 million during the period under review where most of the local participants opted to book profits except insurance companies, and companies who were net buyers during the period under review.

Going forward investor confidence is expected to significantly improve further with expected 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;

	March - 2024	March - 2023
	Pak Rupees	
Profit/(Loss) for the period before tax	(26,966,084)	(56,485,170)
Net Profit/(Loss) for the period after tax	(39,988,330)	(59,843,145)
Earnings Per Share	(0.70)	(1.05)

During the period under review, your company posted loss after tax of PKR40 million compared to a loss after tax of PKR59.8 million of the same period last year, translating to loss per share of PKR0.70 compared PKR1.05 of the same period year.

Brokerage income increased to PKR88.7 million from PKR77.3 million of the same period last year depicting an increase of 14.8% primarily driven by increased turnover at the PSX. The Advisory and related income of your company also improved to PKR26.1 million compared to PKR24.4 million of the same period last year, increasing by 7.2%.

With a healthy performance of capital markets, your company booked capital gains amounting to PKR31 million compared to a small loss of the same period last year. The impact of this gain was restricted due to a charge amounting to PKR10.3 million as unrealized loss on re-measurement of investment at fair value through profit and loss account compared to a charge of PKR1.4 million of the same period last year.

Operating and administrative expenses during the period increased to PKR78.4 million and PKR97.3 million, respectively showing increase of 6.5% and 5.9%, respectively over the same period last year.

A significant increase of 1.7x was seen in finance cost amid all-time high interest rates, while other income of your company improved by 18.5%.

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: 29th April 2024



Muhammad Najam Ali
Chief Executive Officer



Ali Akhtar Ali
Director

Condensed Interim Financial Position As At March 31, 2024

	Note	31 March 2024 (Un-audited) (Rupees)	30 June 2023 (Audited)
ASSETS			
Non current assets			
Fixed assets	5	22,972,136	37,255,427
Right of use assets	5.2	21,652,543	25,473,580
Intangible assets	6	169,490,993	132,316,263
Investment in term finance certificates	7	4,020,000	4,020,000
Long term deposits	8	5,264,761	4,764,761
Deferred tax asset - net		8,699,446	9,933,918
		232,099,879	213,763,949
Current assets			
Short term investments - fair value through profit or loss	9	156,930,472	205,957,399
Investment in marginal financing system	10	8,855,520	-
Trade debts	11	94,430,026	217,288,698
Deposits and prepayments	12	99,827,528	47,640,996
Advances and other receivables	13	5,011,124	3,617,353
Advance tax		39,895,396	41,208,698
Cash and bank balances	14	115,693,149	87,340,767
		520,643,215	603,053,911
Total assets		752,743,094	816,817,860
EQUITY AND LIABILITIES			
Share capital and reserves			
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 reserve (Accumulated loss) / unappropriated profit		(131,191,708)	(91,203,378)
		388,058,292	428,046,622
Non-current liabilities			
Lease liabilities		27,322,674	25,399,711
Current liabilities			
Unclaimed dividend		3,004,827	3,004,827
Current portion of lease liabilities		8,910,773	8,910,322
Short term borrowing - secured	16	149,999,730	150,000,000
Trade and other payables	18	175,446,798	201,456,378
Contract liabilities		-	-
		337,362,128	363,371,527
Total equity and liabilities		752,743,094	816,817,860
Contingencies and commitments	19		

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



Chief Executive Officer



Chief Financial Officer



Director

**Condensed Interim Statement Of Profit Or Loss
for the period ended March 31, 2024**

Note	Nine months ended 31 March		Quarter ended 31 March		
	2024	2023	2024	2023	
----- (Rupees) -----					
Operating revenue	20	102,398,256	91,577,538	23,354,368	28,581,716
Gain / (loss) on sale of investments		31,037,567	(138,472)	637,567	6,378,103
Unrealised loss on remeasurement of investments - fair value through profit or loss	9.1	(10,321,091)	(1,381,038)	(15,093,469)	8,241,648
Operating expenses	21	(78,375,938)	(73,559,857)	(24,952,604)	(23,053,502)
Administrative expenses	22	(97,337,796)	(91,875,568)	(31,198,123)	(28,501,333)
(Provision) / reversal for impairment on trade debts	11.1	11,135,908	(5,293,232)	16,052	(722,071)
Finance cost		(25,004,756)	(9,156,234)	(8,923,040)	(3,789,986)
		(66,467,850)	(89,826,863)	(56,159,249)	(12,865,425)
Other income	23	39,501,766	33,341,693	17,529,199	7,893,047
(Loss) / profit before taxation		(26,966,084)	(56,485,170)	(38,630,050)	(4,972,378)
Taxation	24				
- Current		(11,787,774)	(6,374,894)	(3,351,520)	(2,523,268)
- Prior		-	-	-	-
- Deferred		(1,234,472)	3,016,919	18,209	(804,232)
		(13,022,246)	(3,357,975)	(3,333,311)	(3,327,500)
(Loss) / profit after taxation		(39,988,330)	(59,843,145)	(41,963,361)	(8,299,878)
(Loss) / earnings per share - basic and diluted	25	(0.70)	(1.05)	(0.74)	(0.15)

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



Chief Executive Officer



Chief Financial Officer



Director

**Condensed Interim Statement Of Comprehensive Income
for the period ended March 31, 2024**

	Nine months ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
	----- (Rupees) -----			
(Loss) / profit after taxation	(39,988,330)	(59,843,145)	(41,963,361)	(8,299,878)
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss account in subsequent periods</i>				
Realized gain / (loss) on remeasurement of investment carried at FVTOCI	-	-	-	-
Total comprehensive (loss) / income	<u>(39,988,330)</u>	<u>(59,843,145)</u>	<u>(41,963,361)</u>	<u>(8,299,878)</u>

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



Chief Executive Officer



Chief Financial Officer



Director

Condensed Interim Cash Flows Statement for the period ended March 31, 2024

	Note	Six months period ended	
		31 March 2024	2023
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(26,966,084)	(56,485,170)
Adjustments for:			
Depreciation expense	5.1	18,993,428	19,741,646
Depreciation on right of use asset	5.2	-	-
Amortisation of intangible assets	6.2	123,311	122,862
Provision for worker's welfare fund	23	-	-
Impairment expenses	5.2	-	-
Lease liabilities			
Right-of-use asset			
Capital gain on sale of investments		(31,037,567)	138,472
Unrealised loss in the value of investments at 'fair value through profit or loss'	9.1	10,321,091	1,381,038
Unrealised loss / (gain) in the value of PSX shares	22	-	-
Mark-up on bank balances	23	(24,149,836)	(17,355,404)
Mark-up on investment in marginal financing system	23	(2,690,499)	(1,743,778)
Mark-up on investment in marginal trading system	23	-	(857,650)
Profit on exposure margin	23	(7,604,792)	(5,869,713)
Other income	22	-	-
Impact of IFRS 16 on equity	22	-	-
Other income	23	(5,056,639)	(7,515,148)
Finance cost		25,004,756	9,156,234
Unwinding of security deposit		-	-
		(16,096,747)	(2,801,441)
Net cash (used) in / generated from operations before working capital changes		(43,062,831)	(59,286,611)
Changes in working capital			
(Increase) in current assets			
Trade debts		133,994,580	94,125,148
Deposits and prepayments		(52,186,532)	110,698,798
Advances and other receivables		(1,393,771)	198,565,157
		80,414,277	403,389,103
Increase in current liabilities			
Trade and other payables		(26,009,580)	(266,591,575)
Contract liabilities		-	(1,166,658)
		11,341,866	76,344,259
Finance cost paid		(21,465,533)	(4,951,049)
Taxes paid		(11,727,153)	(5,589,309)
Net cash (used) in / generated from operating activities		(21,850,820)	65,803,901
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of fixed assets	5.1	(889,100)	(1,638,825)
Purchase of Intangibles	6 & 6.2	(37,298,041)	(44,742,558)
Payment against investment in Marginal Financing System		(150,800,246)	(95,931,667)
Receipts against investment in Marginal Financing System		144,589,425	106,976,346
Short term investments made during the period		(12,446,811,192)	(2,192,555,576)
Short term investments disposed off during the period		12,516,048,145	2,069,519,667
Mark-up received on bank deposits		24,149,836	17,355,404
Mark-up received on exposure margin		7,604,792	5,869,713
Mark-up received on investment in Margin Financing System		2,690,499	1,743,778
Mark-up received on investment in Margin Trading System		-	857,650
Other income		5,056,639	7,515,148
Long term deposits		(500,000)	12,900,000
Net cash used in investing activities		63,840,757	(112,130,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing - unsecured		-	-
Lease rental paid		(13,637,285)	(12,481,335)
Dividend paid - unclaimed		-	-
Net cash generated from / (used) in financing activities		(13,637,285)	(12,481,335)
Net (decrease) / increase in cash and cash equivalents		28,352,652	(58,808,354)
Cash and cash equivalents at beginning of the period		87,340,767	221,672,555
Short term borrowing - secured		(150,000,000)	(149,996,346)
Cash and cash equivalents at end of the period		(34,306,581)	12,867,855
CASH AND CASH EQUIVALENTS COMPRISE OF:			
Cash and bank balances	14	115,693,149	95,855,815
Short term borrowing - secured	16	(149,999,730)	(82,987,960)
		(34,306,581)	12,867,855

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



Chief Executive Officer



Chief Financial Officer



Director

Statement Of Changes In Equity for the period ended March 31, 2024

	Issued, subscribed and paid-up capital	Discount on issue of shares	Revenue Reserve		Total
			Unappropriated profit / accumulated (loss) (Rupees)	Fair value reserve	
Balance as at 01 July 2022	495,000,000	(50,000,000)	80,260,281	-	525,260,281
Total comprehensive income for the period					
Bonus shares issued during the period	74,250,000	-	(74,250,000)	-	-
Total comprehensive loss for the period	-	-	(59,843,146)	-	(59,843,146)
	74,250,000	-	(134,093,146)	-	(59,843,146)
Balance as at 31 March 2023	<u>569,250,000</u>	<u>(50,000,000)</u>	<u>(53,832,865)</u>	<u>-</u>	<u>465,417,135</u>
Balance as at 1 July 2023	569,250,000	(50,000,000)	(91,203,378)	-	428,046,622
Total comprehensive income for the period					
Bonus shares issued during the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(39,988,330)	-	(39,988,330)
	-	-	(39,988,330)	-	(39,988,330)
Balance as at 31 March 2024	<u>569,250,000</u>	<u>(50,000,000)</u>	<u>(131,191,708)</u>	<u>-</u>	<u>388,058,292</u>

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



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Condensed Interim Financial Statements for the period ended March 31, 2024

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 (now Companies Act, 2017). The Company has obtained corporate membership from Pakistan Stock Exchange Limited ("the Exchange") on 2 February 2010 and was listed on the said Exchange on 27 April 2012.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984.

Where provisions of and directives issued under the Companies Act, 2017 and part VIIIA of the repealed Companies Ordinance, 1984 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and part VIIIA of the repealed Companies Ordinance, 1984 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 30 June 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 30 June 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 31 March 2023.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 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 judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 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 30 June 2023.

5. FIXED ASSETS	<i>Note</i>	31 March 2024 (Unaudited) (Rupees)	30 June 2023 (Audited)
Operating fixed assets	5.1	<u>22,972,136</u>	<u>37,255,427</u>
		22,972,136	37,255,427
5.1 Operating fixed assets			
Opening written down value		37,255,427	60,860,329
Additions during the period / year - at cost			
- Lease hold improvement		-	-
- Furniture and fixtures		-	-
- Vehicles		-	-
- Computers and related accessories		889,100	2,719,650
		889,100	2,719,650
Written down value of disposals during the period / year		-	(5,384,158)
Depreciation for the period / year		(15,172,391)	(20,940,394)
		(15,172,391)	(26,324,552)
Closing written down value		<u>22,972,136</u>	<u>37,255,427</u>

5.2 Right-of-use assets

Opening written down value	25,473,580	19,827,340
Additions during the period / year	-	-
Disposals during the period / year	-	-
Modification		11,069,225
Depreciation expense	(3,821,037)	(5,422,985)
Closing written down value	<u>21,652,543</u>	<u>25,473,580</u>

6. INTANGIBLE ASSETS

Note

Pakistan Mercantile Exchange Limited - Membership card		950,000	950,000
Trading Right Entitlement Certificate (TREC)	6.1	2,500,000	2,500,000
Software	6.2	102,840	226,151
Capital work in progress	6.3	165,938,153	128,640,112
		<u>169,490,993</u>	<u>132,316,263</u>

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

6.2 Particulars - software

31 March	30 June
2024	2023
(Unaudited)	(Audited)
(Rupees)	

Net carrying value basis

Opening net book value	226,151	389,818
Additions during the period / year	-	-
Written-off during the period / year	-	-
Amortisation charged during the period / year	(123,311)	(163,667)
Closing net book value	<u>102,840</u>	<u>226,151</u>

Gross carrying value

Cost	5,644,660	5,644,660
Accumulated amortisation	(5,541,820)	(5,418,509)
Net book value	<u>102,840</u>	<u>226,151</u>

Amortisation rate

<u>33%</u>	<u>33%</u>
-------------------	-------------------

6.3 Capital work in progress

Opening		128,640,112	71,954,055
Capital expenditure incurred during the period / year	6.3.1	37,298,041	56,686,057
Transferred to intangibles		-	-
Closing		<u>165,938,153</u>	<u>128,640,112</u>

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

7. INVESTMENT IN TERM FINANCE CERTIFICATES

31 March 2024 (Un-audited) (Number of certificates)	30 June 2023 (Audited)	Name of investee	31 March 2024		30 June 2023	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value
802	802	Soneri Bank Limited	4,020,000	4,020,000	4,020,000	4,020,000

7.1

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

8. LONG TERM DEPOSITS

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
		(Rupees)	
Pakistan Stock Exchange Limited	8.1	-	-
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	8.2	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
		5,264,761	4,764,761

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

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

9. SHORT TERM INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
		(Rupees)	
Listed securities	9.1	156,930,472	205,957,399
		156,930,472	205,957,399

9.1 Listed securities

31 March 2024 (Un-audited) (Number of shares)	30 June 2023 (Audited)	Name of investee	31 March 2024		30 June 2023	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value
1,329,000	-	Bank Islami Pakistan Limited* Pakistan Stock Exchange Limited*	31,308,549	27,563,460	-	-
-	4,792,000	Bank Alfalah Limited	-	-	47,279,876	35,460,800
-	845,000	TPL Trakker Limited	-	-	25,808,558	25,721,800
-	454,000	TRG Pakistan Limited	-	-	4,111,445	4,013,360
-	500,000	Bank Alhabib Limited	-	-	49,654,054	46,065,000
482,701	-	JS Bank Limited	40,927,096	41,034,412	-	-
2,510,000	-	D.G.Khan Cement Factory Limited*	22,610,645	23,242,600	-	-
1,000,000	400,000	Maple Leaf Cement Factory Limited	72,405,272	65,090,000	20,059,216	20,520,000
-	2,618,300		-	-	72,647,185	74,176,439
5,321,701	9,609,300		167,251,562	156,930,472	219,560,334	205,957,399

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

(10,321,090)
156,930,472

(13,602,935)
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.

10. INVESTMENT IN MARGINAL FINANCING SYSTEM

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

11. TRADE DEBTS

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
(Rupees)			
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	11.2	93,862,670	227,900,617
- Brokerage commission			
- Equity shares		5,989,806	5,805,315
- Money market		1,579,086	783,658
- Consultancy fee		8,263,162	9,199,712
Provision for impairment on trade debts	11.1	(15,264,698)	(26,400,604)
		94,430,026	217,288,698
		94,430,026	217,288,698

11.1 Provision for impairment on trade debts

Opening balance		26,400,604	12,423,642
Impairment / (reversal) during the period / year - net		(11,135,908)	13,976,962
Closing balance		15,264,696	26,400,604

11.2 Aging analysis

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

	Note	Amount	Custody value (Rupees)
Upto five days	11.2.1	30,056,348	2,127,509,829
More than five days	11.2.1	63,806,322	2,112,459,991
		93,862,670	4,239,969,820

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

12. DEPOSITS AND PREPAYMENTS

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
(Rupees)			
Deposit against exposure margin	12.1	67,468,673	29,313,065
Deposit against marginal trading services	12.2	12,536,691	10,052,862
Security deposits	12.3	-	-
Prepaid expenses		14,892,182	3,753,261
Sales tax receivables		4,929,982	4,521,808
Markup receivable against bank deposits		-	-
		99,827,528	47,640,996

12.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. This deposit carry profit at rates ranging from 19.00% to 19.00% per annum (30 June 2023: 10.75% to 17.00% per annum).

12.2 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade and sustained losses to date on marginal trading services. These deposits carry profit at rates ranging from 19.00% to 19.00% per annum (30 June 2023: 10.75% to 17.00% per annum).

12.3 This includes security deposit against leased asset.

13. ADVANCES AND OTHER RECEIVABLES

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
		(Rupees)	
<i>Considered good</i>			
Advance against salary - secured		842,918	907,500
Other receivables and advances - unsecured		4,168,206	2,709,853
		-	-
		5,011,124	3,617,353

14. CASH AND BANK BALANCES

Balances with banks:			
Saving accounts - profit and loss account	14.1	104,236,272	76,475,247
Current accounts - conventional		9,971,749	9,710,016
Current accounts - shariah compliant		1,440,348	1,134,884
	14.2	115,648,369	87,320,147
Cash in hand		44,780	20,620
		115,693,149	87,340,767

14.1 Profit rate on saving accounts ranges from 20.50% to 20.50% per annum (30 June 2023: 12.25% to 18.50% per annum).

14.2 This include Rs. 99.783 million (30 June 2023: Rs. 63.128 million) kept in designated bank accounts maintained on behalf of clients.

15. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	31 March 2024 (Un-audited)	30 June 2023 (Audited)
		(Rupees)	
15.1 Issued, subscribed and paid-up capital			
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
		569,250,000	569,250,000

16. SHORT TERM BORROWING - SECURED

16.1 Short term running finance - secured

Short term running finance - secured	16.1.1	149,999,730	150,000,000
--------------------------------------	--------	--------------------	-------------

16.1.1 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 30 June 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% (30 June 2023: 3 month KIBOR + 3.5%).

18. TRADE AND OTHER PAYABLES

	Note	31 March 2024 (Un-audited) (Rupees)	30 June 2023 (Audited)
Trade creditors	18.1	97,584,314	77,232,043
Payable to National Clearing Company of Pakistan Limited		-	7,817,005
Accrued salaries and other expenses		1,406,862	-
Payable to auditors		290,250	1,269,000
Tax deducted at source		3,442,007	721,962
Commission payable	18.2	78,252	78,252
Accrued markup		7,760,721	6,606,918
IPS Accounts		3,796,454	13,669,064
Other payables		61,087,938	94,062,134
		175,446,798	201,456,378

18.1 This includes trade payable of Rs. 0.043 million (30 June 2023:Rs. 1.00 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 21 November 2014 for recovery of assessed amount Rs. 871,581 and default surcharge to be calculated at the time of payment.

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

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

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

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

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.

19.2 Commitments	31 March 2024 (Un-audited) (Rupees)	30 June 2023 (Audited)
For sale of quoted securities under future contracts against counter commitments	<u>185,270,140</u>	<u>81,441,830</u>
For purchase of quoted securities under future contracts against counter commitments	<u>96,300</u>	<u>116,246,020</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 30 June 2024.

20. OPERATING REVENUE		Nine months period ended 31 March		Quarter ended 31 March	
	<i>Note</i>	2024	2023	2024	2023
		----- (Unaudited) -----		----- (Unaudited) -----	
		----- (Rupees) -----		----- (Rupees) -----	
Brokerage income	20.2	88,678,095	77,261,612	24,648,084	24,909,666
Advisory / consultancy fee		26,108,832	24,357,621	819,250	5,806,787
Commodity Income		816,905	1,149,013	816,905	1,149,013
Debt capital market services		-	565,000	-	282,500
		<u>115,603,832</u>	<u>103,333,246</u>	<u>26,284,239</u>	<u>32,147,966</u>
Less: Sales tax on services		13,205,576	11,755,708	2,929,871	3,566,250
	20.1	<u>102,398,256</u>	<u>91,577,538</u>	<u>23,354,368</u>	<u>28,581,716</u>

20.1 This includes Rs.33.645 (31 March 2023: Rs. 24.418) million brokerage income earned from institutional clients, Rs. 44.554 (31 March 2023: Rs. 37.672) million brokerage income earned from retail clients and Rs. "Nil" (31 March 2023: Rs."Nil") brokerage Income earned on proprietary trades.

20.2 This includes brokerage earned from related parties amounting to Rs. 0.699 million (31 March 2023: Rs. 1.433 million).

21. OPERATING EXPENSES

Note	Nine months period ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
----- (Unaudited) -----				
----- (Rupees) -----				
Salaries, wages and other benefits	50,356,638	52,759,919	16,084,307	17,441,599
Consultancy fee	21.1 3,850,000	4,510,363	1,550,000	1,050,000
Commission and referral fee	21.2 10,847,004	5,659,619	3,065,401	2,032,260
Service and transaction charges	8,078,764	5,623,379	3,102,787	1,815,273
Fees and subscription	5,243,532	5,006,577	1,150,109	714,370
	78,375,938	73,559,857	24,952,604	23,053,502

21.1 This includes consultancy fee to the directors of the Company amounting to Rs. "Nil" million (31 March 2023: Rs. 0.637 million).

21.2 This includes commission to the directors of the Company amounting to Rs.1.361 million (31 March 2023: Rs. 0.844 million).

22. ADMINISTRATIVE EXPENSES

	Nine months period ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
----- (Unaudited) -----				
----- (Rupees) -----				
Salaries, wages and other benefits	41,200,886	43,167,206	13,159,888	14,270,398
Telephone and communication charges	3,442,224	4,410,413	1,247,477	1,008,324
Rent expense	1,707,692	-	1,110,000	-
Utility charges	5,661,615	3,743,913	1,544,883	949,251
Vehicle running expenses	6,184,978	4,814,164	1,993,652	1,715,825
Depreciation	18,993,428	19,741,646	5,984,129	6,364,139
Amortisation	123,311	122,862	40,805	40,356
Legal and professional charges	1,626,576	1,270,600	407,500	736,250
Auditor's remuneration	317,250	108,660	-	50,000
Insurance	2,612,402	2,066,742	812,402	202,246
Printing, stationery and postage charges	785,899	1,325,988	266,177	314,236
Office supplies	971,335	1,355,296	314,898	259,289
Office repair and maintenance	2,520,994	2,339,200	894,222	686,578
Fees and subscription	1,073,976	1,025,444	235,564	146,317
Travelling and entertainment charges	3,801,812	618,742	763,771	294,305
Advertisement expenses	117,450	991,200	-	-
Security expense	2,988,476	2,680,206	1,142,484	716,183
Generator Fuel	442,357	438,076	185,739	200,366
Miscellaneous expenses	2,765,135	1,655,210	1,094,532	547,270
	97,337,796	91,875,568	31,198,123	28,501,333

23. OTHER INCOME

Mark-up / interest on:				
- Bank balances (under mark-up arrangements)	24,149,836	17,355,404	8,687,616	4,267,575
- Investment in marginal financing system	2,690,499	1,743,778	650,241	1,588,018
- Investment in Marginal Trading System	-	857,650	-	-
- Exposure margin	7,604,792	5,869,713	4,724,232	1,830,096
Dividend income	3,930,239	3,503,690	3,242,225	-
Gain on sale of assets	-	2,905,342	-	-
Miscellaneous income	1,126,400	1,106,116	224,885	207,358
	39,501,766	33,341,693	17,529,199	7,893,047

24. TAXATION

24.1 The income tax returns of the Company have been filed up to tax year 2021 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

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

Order under section 161 and 205 of the Income Tax Ordinance, 2001 has been passed by the Assistant Commissioner Inland Revenue in respect of monitoring of withholding of taxes for the tax year 2011 on account of short deduction of tax on payments made by the Company amounting to Rs. 0.876 million. Against the said order the Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) under section 127 of Income Tax Ordinance, 2001. The case has been heard, however, the decision in appeal is still pending. The management based on the advice of its advisor is confident regarding the outcome of the case. Thereby no provision is made within these condensed interim financial statements.

Order for amendment in assessment under section 122 (5A) of the Income Tax Ordinance, 2001 has been passed by the tax authorities for the tax year 2011 on the basis that the tax deduction under section 153(1)(b) of the Ordinance was minimum tax, therefore, no refund is allowable to the Company creating tax demand of Rs. 26,698. The Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) under section 127 of Income Tax Ordinance, 2001, where hearing in appeal is pending. The management based on the advice of its advisor is confident regarding the outcome of the case. Thereby no provision is made within these condensed interim financial statements.

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

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

25. **(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

	Nine months ended		Quarter ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Un-audited) -----			
	----- (Rupees) -----			
(Loss) / profit for the period	<u>(39,988,330)</u>	<u>(59,843,145)</u>	<u>(41,963,361)</u>	<u>(8,299,878)</u>
	----- (Numbers) -----			
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>56,925,000</u>
	----- (Rupees) -----			
(Loss) / earnings per share - basic and diluted	<u>(0.70)</u>	<u>(1.05)</u>	<u>(0.74)</u>	<u>(0.15)</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) / earnings per share when exercised.

26. **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

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

26.1 Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	31 March		31 March		31 March	
	2024	2023	2024	2023	2024	2023
	----- (Un-audited) -----					
	----- (Rupees) -----					
Managerial remuneration	7,766,667	9,000,000	4,800,000	4,800,000	31,361,912	33,256,591
House rent allowance	3,106,667	3,600,000	1,920,000	1,920,000	12,544,765	13,302,637
Medical	776,666	900,000	480,000	480,000	3,136,191	3,325,659
Commission fee	-	-	1,361,148	844,317	5,966,785	1,518,661
Consultancy fee	-	-	-	636,979	-	-
	11,650,000	13,500,000	8,561,148	8,681,296	53,009,653	51,403,548
Number of persons	1	1	1	2	17	15

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

26.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs."Nil" million and 0.286 (31 March 2023: Rs. 0.561 & 0.636 million).

27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

31 March 2024 (Un-audited)

	Carrying value				Fair value		
	FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
On balance sheet financial instruments							
----- (Rupees) -----							
Financial assets measured at fair value							
Listed equity securities	156,930,472	-	-	-	156,930,472	-	-
Term finance certificates	4,020,000	-	-	-	-	4,020,000	-
Financial assets not measured at fair value							
Long term deposits	-	-	5,264,761	-			
Trade debts - considered good	-	-	94,430,026	-			
Investment in marginal financing system	-	-	8,855,520	-			
Deposits and prepayments	-	-	99,827,528	-			
Advances and other receivables	-	-	5,011,124	-			
Cash and bank balances	-	-	115,693,149	-			
	160,950,472	-	329,082,108	-			
Financial liabilities not measured at fair value							
Lease liabilities	-	-	-	36,233,447			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	149,999,730			
Short term borrowing - unsecured	-	-	-	-			
Trade and other payables	-	-	-	175,446,798			
Contract liabilities	-	-	-	-			
	-	-	-	364,684,802			

30 June 2023 (Audited)

	Carrying value				Fair value		
	FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
On balance sheet financial instruments							
----- (Rupees) -----							
Financial assets measured at fair value							
Listed equity securities	205,957,399	-	-	-	-	205,957,399	-
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	-	-	47,640,996	-			
Advances and other receivables	-	-	3,617,353	-			
Cash and bank balances	-	-	87,340,767	-			
	205,957,399	-	364,672,575	-			
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	-	-	-	-			
	-	-	-	388,771,238			

28. OPERATING SEGMENTS

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

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

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

29. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 29-April-2024



Chief Executive Officer



Chief Financial Officer



Director