



QUARTERLY REPORT  
MARCH 31, 2022



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## COMPANY INFORMATION

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

## **Economic Review & Outlook**

During the last quarter of the period under review, geo-political tensions emanating from Russia-Ukraine war and local political tensions reaching a fever pitch almost completely drowned out any noises erupting on the macroeconomic and external account front. The local government continued to combat extreme pressures, from both the opposition alliance and a worsening economic position, resorting to populist policies in order to tame inflationary pressures on account of sky-rocketing commodity prices and renewed issues on the supply-chain front. Contrary to market expectations, the central bank did not resort to further hikes in policy rate during the period under review (March 2022 ended with policy rate of 9.75%) and maintained a status quo stance.

Subsequent to the period under review on 7<sup>th</sup> Apr'22, SBP cited deterioration in inflation outlook and increase in risks associated with external stability as the reasons behind 250bps hike in policy rate (12.25%). The outgoing quarter witnessed consistent monthly double-digit inflation (averaging 12.6%), pulling cumulative 9MFY22 inflation upwards to 10.8%, a significant increase from previous same period figure of 8.3%. Rising crude oil prices, which touched around USD140/bbl., contributed not only directly towards inflationary pressures, but also towards a burgeoning trade deficit.

During the period under review, Pakistan posted a Current Account deficit of USD12.1 billion against a surplus of USD0.9 billion during the same period last year. Exports jumped to USD20.6 billion posting a growth of 28% over the same period last year but higher commodities prices (especially crude oil), increased domestic demand and higher agricultural imports resulted in soaring imports of goods accumulating to USD47.9 billion, depicting a 49% growth compared to the same period of previous year. Trade deficit stretched to an uncomfortable USD27.3 billion compared to USD16.0 billion of the same period last year. On the services side, exports increased to USD4.5 billion growing by a healthy 18% especially attributable to consistent upward trajectory of IT related exports, while imports of services not only matched exports growth but unfortunately posted a huge jump of 39% to USD7.1 billion, resulting in expansion of trade deficit in services to USD2.6 billion compared to USD1.3 billion of the same period last year. Remittances maintained their healthy contribution and continue to play an important role in restricting any balance of payment crisis, by posting a growth of 7% to USD22.9 billion during the period under review.

These worsening macroeconomic figures, inability of government to conclude 7<sup>th</sup> review discussions with IMF amidst a politically-charged environment and the repayment of foreign debt during the quarter led to a substantial decline in SBP reserves. The reserves depleted by a staggering USD5.64 billion during the period under review, to stand at a meagre USD12.1 billion. These factors as well as the uncertainty regarding political climate led to another round of currency depreciation, pushing PKR/USD to close the period under review at PKR183.48/USD depreciating by 16.3% (PKR25.7). Subsequently as tensions regarding No-Confidence motion and dissolution of National Assembly peaked, the local currency hit as high as PKR189/USD in interbank market. However, subsequent to the period under review, with clarity regarding new regime, PKR has gained some strength against the US Dollar.

Towards the fiscal side, FBR tax collection continues to remain healthy, posting a growth of 29% to stand at PKR4,382 billion during the period under review, compared to PKR3,394 billion in the same period last year. This collection is impressive and it seems that revised target of PKR6 trillion could be achieved if year-end tax collection figures continue their trend. The decision of freezing POL products' prices till June 2022 in a rising international oil prices environment, has not only resulted in increased fiscal stress but also became one of the biggest concerns of the IMF review.

Going forward, we believe that Pakistan is standing at an extremely crucial position on several fronts. It seems that one of the biggest concerns in FY23 would be financing our gross external requirements, which are projected at around USD30-35 billion. In a high commodities' price environment and during an election year, support from the IMF would be extremely important for the country for which a lot of tough decisions may be needed going forward. The Board believes that the upcoming year could be one of the toughest years in Pakistan's economic history, provided external factors do not turn out in Pakistan's favour.

## Equities market performance and outlook

During the period under review, the benchmark KSE100 Index shed 2,427 points to close at 44,929 level, losing 5.1%. Trading activity during the period under review remained worryingly low with average daily volumes clocking-in at a 305 million shares, compared to 483 million shares during the same period last year. The trading value also painted a gloomy picture with average value traded stood at only PKR10.4 billion, a stark drop from PKR18.9 billion in previous year. Trading activity during the third quarter also reduced when compared to the previous quarter ending December 2021 where average volumes and average value traded during quarter ending December 2021 stood at 275 million shares and PKR10.3 billion, respectively versus 232 million shares and PKR7.3 billion, respectively in the quarter ending March 2022. Investors remained at bay amidst the uncertain geo-political conditions, macroeconomic pressures with weakening PKR, suspended IMF talks and a politically uncertain climate. Foreign investors sold equities worth USD271 million while Individuals, Companies, Banks and Insurance companies were the major buyers in the market. Mutual Funds and Brokers were net sellers during the period under review.

Amongst the heavyweight sectors, only Banking and Fertilizer were able to post positive returns during the period under review whereas all other index heavy-weight sectors posted negative returns.

Going forward, the Board continues to stick with the opinion that index is trading at extremely cheap multiples, with blue-chips looking extremely both in terms of capital gains as well as offering double-digit dividend yields. Considering the uncertainties and issues facing both on the macroeconomic and political front, it's imperative to adopt a cautious approach in the short-medium term.

## Performance Overview:

Last three quarters of the Company have been loss bearing as opposed to a highly profitable financial year ended in June 2021. This is reflective of the tumultuous economic situation of the country affecting investors' confidence the most in the form of continued bearish trend in the Pakistan Stock Exchange.

Since Next Capital Limited is primarily a brokerage house, declining trade volumes in the stock exchange has hit its revenues hard, with increasing costs due to inflation of 10.8% and increase in cost of funding further deteriorating company profits.

The following table sums the Company's performance in the last nine months under review:

	Mar - 2022	Mar - 2021
	PAK RUPEES	
Accumulated profit brought forward	49,481,566	7,085,268
Net (Loss)/ Profit for the period	(83,798,262)	51,512,190
Realized gain on sale of investments carried at FVOCI	-	5,506,100
Bonus Issue		(45,000,000)
Accumulated (loss)/ profit as at March 31	(34,316,696)	19,103,558
Loss/ Earnings Per Share	(1.69)	1.04

The Company posted a pre-tax loss of PKR 76.8 million during the period under review as compared to a pre-tax profit of PKR 67.5 million last year in the corresponding period. Overall operating revenues of the company reduced by 42% to PKR 157.4 million as compared to PKR 270.6 million in the corresponding period of the previous year.

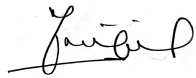
Administrative expenses also increased by 38%, mainly from increase in human capital incurred with respect to company's growth strategy, whereas operating expenses also reduced by 20% corresponding to the reduced activity in the capital market. While PKR 43 million is the unrealized loss on remeasurement of investments held by the Company.

Since the country's economic condition is expected to stabilize in the next few months as a result of the change in the federal government, and with the likely disbursement of next IMF installment, the stock market is expected to gain momentum with considerable progress since the market is currently significantly undervalued. As the volumes improve, the Company's revenues tied with its performance are expected to increase substantially.

Additionally, the Company has a large sized investment banking project aligned that is expected to be materialized in the last quarter of the financial year 2022. Hence the management expects the year to be profitable despite the earlier losses.

For and on behalf of the Board of Directors

Date: April 27, 2022



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Chairman

**Next Capital Limited**  
**Condensed Interim Statement of Financial Position**  
*As at 31 March 2022*

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	5	64,208,189	78,028,115
Right of use assets	5.3	21,388,896	31,741,341
Intangible assets	6	47,965,647	3,482,361
Investment in term finance certificates	7	4,019,064	4,009,645
Long term deposits	8	20,540,852	36,206,252
Deferred tax asset - net		5,746,476	5,932,242
		<b>163,869,124</b>	<b>159,399,956</b>
<b>Current assets</b>			
Short term investments - fair value through profit or loss	9	57,055,789	-
Investment in marginal financing system	10	11,422,296	70,326,739
Trade debts	11	169,759,923	382,451,422
Deposits and prepayments	12	114,697,940	208,502,668
Advances and other receivables	13	2,571,094	4,207,940
Advance tax		44,954,732	41,911,318
Cash and bank balances	14	274,583,505	332,701,076
		<b>675,045,279</b>	<b>1,040,101,163</b>
<b>Total assets</b>		<b>838,914,403</b>	<b>1,199,501,119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
100,000,000 (30 June 2021: 100,000,000) ordinary shares of Rs. 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
Issued, subscribed and paid-up capital	15	495,000,000	495,000,000
Discount on issue of shares		(50,000,000)	(50,000,000)
<b>Revenue reserve</b>			
(Accumulated loss) / unappropriated profit		(34,316,696)	49,481,566
		<b>410,683,304</b>	<b>494,481,566</b>
<b>Non-current liabilities</b>			
Lease liabilities		25,663,081	31,321,593
<b>Current liabilities</b>			
Unclaimed dividend		3,004,827	3,055,446
Current portion of lease liabilities		5,854,459	10,634,256
Short term borrowing - secured	16	-	149,996,346
Short term borrowing - unsecured	17	90,920,413	-
Trade and other payables	18	301,621,652	510,011,912
Contract liabilities		1,166,667	-
		<b>402,568,018</b>	<b>673,697,960</b>
<b>Total equity and liabilities</b>		<b>838,914,403</b>	<b>1,199,501,119</b>
<b>Contingencies and commitments</b>	19		

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



Chief Executive Officer



Chief Financial Officer



Director

## Next Capital Limited

### Condensed Interim Statement of Profit or Loss Account (Un-audited)

For the six and three months period ended 31 March 2022

		Nine months ended 31 March		Quarter ended 31 March	
	Note	2022	2021	2022	2021
		----- (Rupees) -----			
Operating revenue	20	157,456,019	270,634,716	41,701,003	95,837,265
Gain / (loss) on sale of investments		724,729	285,508	255,688	27,683
Unrealised loss on remeasurement of investments - fair value through profit or loss	9.1	(43,103,691)	(4,205,632)	(5,810,095)	(4,205,632)
Operating expenses	21	(104,286,441)	(130,553,375)	(29,994,357)	(48,051,138)
Administrative expenses	22	(99,755,561)	(72,053,758)	(33,811,377)	(23,933,483)
(Provision) / reversal for impairment on trade debts	11.1	(1,724,808)	(4,246,243)	(865,922)	(3,162,205)
Finance cost		(20,984,461)	(17,368,762)	(5,876,843)	(5,844,105)
		(111,674,214)	42,492,454	(34,401,903)	10,668,385
Other income	23	34,815,351	24,956,887	8,778,662	11,006,467
(Loss) / profit before taxation		(76,858,863)	67,449,341	(25,623,241)	21,674,852
Taxation	24				
- Current		(8,701,166)	(20,753,051)	(3,012,607)	(9,178,505)
- Prior		1,947,533	3,360,174	1,947,533	-
- Deferred		(185,766)	1,455,726	137,496	2,656,566
		(6,939,399)	(15,937,151)	(927,578)	(6,521,939)
(Loss) / profit after taxation		(83,798,262)	51,512,190	(26,550,819)	15,152,913
(Loss) / earnings per share					
- basic and diluted	25	(1.69)	1.04	(0.54)	0.31

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



Chief Executive Officer



Chief Financial Officer



Director



# Next Capital Limited

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six and three months period ended 31 March 2022

	Nine months ended 31 March		Quarter ended 31 March	
	2022	2021	2022	2021
	----- (Rupees) -----			
(Loss) / profit after taxation	(83,798,262)	51,512,190	(26,550,819)	15,152,913
<b>Other comprehensive income</b>				
<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	-	5,614,219	-	-
	-	5,614,219	-	-
<b>Total comprehensive (loss) / income</b>	<b>(83,798,262)</b>	<b>57,126,409</b>	<b>(26,550,819)</b>	<b>15,152,913</b>

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



Chief Executive Officer



Chief Financial Officer



Director

**Next Capital Limited**
**Condensed Interim Statement of Cash Flows (Un-audited)**

For the six months period ended 31 March 2022

		Six months period ended	
		31 March	
		2022	2021
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(76,858,863)	67,449,341
<b>Adjustments for:</b>			
Depreciation expense	5.1	20,406,175	15,701,787
Amortisation of intangible assets	6.2	200,315	53,751
Capital gain on sale of investments		(724,729)	(285,508)
Unrealised loss in the value of investments at 'fair value through profit or loss'	9.1	43,103,691	4,205,632
Mark-up on bank balances	23	(16,652,076)	(12,040,142)
Mark-up on investment in marginal financing system	23	(7,354,497)	(3,694,631)
Profit on exposure margin	23	(9,018,983)	(7,322,215)
Other income	23	(1,789,795)	4,246,243
Finance cost		20,984,461	17,368,762
		49,154,562	18,233,679
<b>Net cash (used) in / generated from operations before working capital changes</b>		<b>(27,704,301)</b>	<b>85,683,020</b>
<b>Changes in working capital</b>			
<b>(Increase) in current assets</b>			
Trade debts		210,966,691	(64,991,250)
Deposits and prepayments		93,804,728	144,372,198
Advances and other receivables		1,636,846	(10,262,298)
		306,408,265	69,118,650
<b>Increase in current liabilities</b>			
Trade and other payables		(232,970,653)	768,927,290
Contract liabilities		1,166,667	1,166,667
		46,899,978	924,895,627
Finance cost paid		(9,250,104)	(12,474,247)
Taxes paid		(9,797,047)	(12,591,991)
<b>Net cash (used) in / generated from operating activities</b>		<b>27,852,827</b>	<b>899,829,389</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of fixed assets	5.1	(2,195,978)	(10,432,654)
Purchase of Intangibles	6 & 6.2	(43,070,101)	-
Payment against investment in Marginal Financing System		(564,370,700)	(784,949,735)
Receipts against investment in Marginal Financing System		630,614,564	703,563,398
Short term investments made during the period		(731,485,063)	(2,366,457,130)
Short term investments disposed off during the period		653,292,635	2,336,109,138
Proceeds from sale of PSX shares		-	-
Mark-up received on bank deposits		16,652,076	12,040,142
Mark-up received on exposure margin		-	7,322,215
Mark-up received on investment in Margin Financing System		7,354,497	3,694,631
Other income		962,230	-
Long term deposits		15,665,400	(4,298,499)
<b>Net cash used in investing activities</b>		<b>(16,580,440)</b>	<b>(103,408,495)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowing - unsecured		90,000,000	-
Lease rental paid		(9,342,993)	(8,663,730)
Dividend paid - unclaimed		(50,619)	-
<b>Net cash generated from / (used) in financing activities</b>		<b>80,606,388</b>	<b>(8,663,730)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>91,878,775</b>	<b>787,757,164</b>
Cash and cash equivalents at beginning of the period		332,701,076	168,718,288
Short term borrowing - secured		(149,996,346)	(149,996,346)
<b>Cash and cash equivalents at end of the period</b>		<b>274,583,505</b>	<b>806,479,106</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>			
Cash and bank balances	14	274,583,505	956,475,452
Short term borrowing - secured	16	-	(149,996,346)
		274,583,505	806,479,106


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



Chief Executive Officer



Chief Financial Officer



Director

# Next Capital Limited

## Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 31 March 2022

	Issued, subscribed and paid-up capital	Discount on issue of shares	Revenue Reserve Unappropriated profit / accumulated (loss) (Rupees)	Fair value reserve	Total
Balance as at 01 July 2020	450,000,000	(50,000,000)	7,085,268	(108,119)	406,977,149
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	36,359,277	-	36,359,277
Realised gain on sale of investment carried at FVTOCI	-	-	5,397,970	108,119	5,506,089
	-	-	41,757,247	108,119	41,865,366
Balance as at 31 December 2020	<u>450,000,000</u>	<u>(50,000,000)</u>	<u>48,842,515</u>	<u>-</u>	<u>448,842,515</u>
Balance as at 1 July 2021	495,000,000	(50,000,000)	49,481,566	-	494,481,566
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	(83,798,262)	-	(83,798,262)
	-	-	(83,798,262)	-	(83,798,262)
<b>Balance as at 31 March 2022</b>	<u><b>495,000,000</b></u>	<u><b>(50,000,000)</b></u>	<u><b>(34,316,696)</b></u>	<u><b>-</b></u>	<u><b>410,683,304</b></u>

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



Chief Executive Officer



Chief Financial Officer



Director

## Next Capital Limited

### Notes to the Condensed Interim Financial Statements (Un-audited)

*For the six months period ended 31 March 2022*

#### **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 2021. 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 2021, 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 2021.

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

##### **2.2 Basis of measurement**

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

## 2.3 Functional and presentation currency

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2021.

## 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 30 June 2021.

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 2021.

5. FIXED ASSETS	Note	31 March 2022 (Unaudited) (Rupees)	30 June 2021 (Audited)
Operating fixed assets	5.1	58,644,506	71,742,326
Capital work in progress	5.2	5,563,683	6,285,789
		<b>64,208,189</b>	<b>78,028,115</b>

### 5.1 Operating fixed assets

Opening written down value	71,742,326	53,730,404
Additions during the period / year - at cost		
- Lease hold improvement	-	-
- Furniture and fixtures	620,918	-
- Vehicles	83,280	25,124,500
- Computers and related accessories	1,491,780	7,828,779
	<b>2,195,978</b>	<b>32,953,279</b>
Written down value of disposals during the period / year	-	-
Depreciation for the period / year	<b>(15,293,798)</b>	<b>(14,941,357)</b>
	<b>(15,293,798)</b>	<b>(14,941,357)</b>
Closing written down value	<b>58,644,506</b>	<b>71,742,326</b>

## 5.2 Capital work in progress

	31 March 2022 (Unaudited) (Rupees)	30 June 2021 (Audited)
Opening	6,285,789	3,071,023
Capital expenditure incurred during the period / year	443,409	3,214,766
Transferred to fixed assets/ written off	(1,165,515)	-
Closing	<u>5,563,683</u>	<u>6,285,789</u>

## 5.3 Right-of-use assets

Opening written down value	31,741,341	32,924,557
Additions during the period / year	-	5,486,453
Disposals during the period / year	(5,240,068)	-
Depreciation expense	(5,112,377)	(6,669,669)
Closing written down value	<u>21,388,896</u>	<u>31,741,341</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	1,445,546	32,361
Capital work in progress	6.3	43,070,101	-
		<u>47,965,647</u>	<u>3,482,361</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 2022 (Unaudited) (Rupees)	30 June 2021 (Audited)
<i>Net carrying value basis</i>		
Opening net book value	32,361	86,112
Additions during the period / year	1,613,500	-
Written-off during the period / year	-	-
Amortisation charged during the period / year	(200,315)	(53,751)
Closing net book value	<u>1,445,546</u>	<u>32,361</u>
<i>Gross carrying value</i>		
Cost	6,767,160	5,153,660
Accumulated amortisation	(5,321,614)	(5,121,299)
Net book value	<u>1,445,546</u>	<u>32,361</u>
Amortisation rate	<u>33%</u>	<u>33%</u>

## 6.3 Capital work in progress

Opening		-	-
Capital expenditure incurred during the period / year	6.3.1	43,070,101	-
Transferred to intangibles		-	-
Closing		<u>43,070,101</u>	<u>-</u>

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

**7. INVESTMENT IN TERM FINANCE CERTIFICATES**

31 March 2022 (Un-audited) (Number of certificates)	30 June 2021 (Audited)	Name of investee	31 March 2022		30 June 2021	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value (Audited)
<u>804</u>	<u>802</u>	Soneri Bank Limited	<u>4,019,064</u>	<u>4,019,064</u>	<u>4,009,645</u>	<u>4,009,645</u>

**7.1**

Name of Security	Face Value	Unredeemed face value	Markup rate (per annum)	Maturity	Long term rating
Soneri Bank Limited - Tier 1 TFC	<u>4,010,000</u>	<u>4,010,000</u>	6 month KIBOR + 2%	Perpetual	A

**8. LONG TERM DEPOSITS**

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
Pakistan Stock Exchange Limited	8.1	<b>15,900,000</b>	31,500,000
Central Depository Company of Pakistan Limited		<b>125,000</b>	125,000
National Clearing Company of Pakistan Limited		<b>1,425,000</b>	1,425,000
Pakistan Mercantile Exchange Limited	8.2	<b>1,250,000</b>	1,250,000
Security deposit against office premises		<b>1,720,852</b>	1,786,252
Security deposit against PSO card		<b>120,000</b>	120,000
		<u><b>20,540,852</b></u>	<u>36,206,252</u>

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 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
Listed securities	9.1	<u><b>57,055,789</b></u>	-
		<u><b>57,055,789</b></u>	-

**9.1 Listed securities**

31 March 2022 (Un-audited) (Number of shares)	30 June 2021 (Audited)	Name of investee	31 March 2022		30 June 2021	
			Carrying amount (Un-audited)	Market value (Rupees)	Carrying amount (Audited)	Market value
<u>205,369</u>	-	Attock Refinery Limited	<u>47,538,127</u>	<u>26,426,883</u>	-	-
<u>2,374,500</u>	-	Pakistan Stock Exchange Limited*	<u>51,976,085</u>	<u>29,989,935</u>	-	-
<u>100</u>	-	Habib Bank Limited	<u>12,818</u>	<u>11,291</u>	-	-
<u>10,000</u>	-	TPL Trakker Limited	<u>174,000</u>	<u>147,500</u>	-	-
<u>26,500</u>	-	Fauji Cement Company Limited	<u>458,450</u>	<u>480,180</u>	-	-
<u>2,616,469</u>	-		<u><b>100,159,480</b></u>	<u><b>57,055,789</b></u>	-	-
		Unrealised loss on re-measurement of investment - fair value through profit or loss	<u><b>(43,103,691)</b></u>	-	-	-
		<b>Market value</b>	<u><b>57,055,789</b></u>	-	-	-

\* 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 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	11.2	162,382,123	364,993,769
- Brokerage commission			
- Equity shares		7,692,609	11,114,436
- Money market		1,743,229	1,026,445
- Consultancy fee		7,354,575	13,004,576
Provision for impairment on trade debts	11.1	(9,412,613)	(7,687,804)
		169,759,923	382,451,422
		<u>169,759,923</u>	<u>382,451,422</u>

**11.1 Provision for impairment on trade debts**

Opening balance	7,687,804	11,477,432
Impairment / (reversal) during the period / year - net	1,724,808	(3,789,628)
Closing balance	<u>9,412,612</u>	<u>7,687,804</u>

**11.2 Aging analysis**

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

	Note	Amount (Rupees)	Custody value (Rupees)
Upto five days	11.2.1	87,407,717	1,773,727,350
More than five days	11.2.1	82,667,015	2,358,058,747
		<u>170,074,732</u>	<u>4,131,786,097</u>

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

**12. DEPOSITS AND PREPAYMENTS**

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
Deposit against exposure margin	12.1	84,618,542	180,830,891
Deposit against marginal trading services	12.2	22,995,702	21,932,976
Security deposits	12.3	-	347,250
Prepaid expenses		3,284,309	3,023,111
Sales tax receivables		3,799,387	2,368,440
		<u>114,697,940</u>	<u>208,502,668</u>

**12.1** This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. This deposit carry profit at rates ranging from 4.00% to 5.75% per annum (30 June 2021: 4.00% to 5.61% per annum).



**12.2** This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade and sustained losses to date on marginal trading services. These deposits carry profit at rates ranging from 4.00% to 5.75% per annum (30 June 2021: 4.00% to 5.61% per annum).

**12.3** This includes security deposit against leased asset.

### **13. ADVANCES AND OTHER RECEIVABLES**

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
<i>Considered good</i>			
Advance against salary - secured		424,212	2,451,273
Other receivables and advances - unsecured		2,146,882	1,756,667
		<u>2,571,094</u>	<u>4,207,940</u>

### **14. CASH AND BANK BALANCES**

Balances with banks:

Saving accounts - profit and loss account	14.1	260,714,506	321,797,850
Current accounts - conventional		13,659,438	9,018,099
Current accounts - shariah compliant		126,931	1,848,672
	14.2	274,500,875	332,664,621
Cash in hand		82,630	36,455
		<u>274,583,505</u>	<u>332,701,076</u>

**14.1** Profit rate on saving accounts ranges from 5.50% to 7.25% per annum (30 June 2021: 5.50% to 6.61% per annum).

**14.2** This include Rs. 260.283 million (30 June 2021: Rs. 315.726 million) kept in designated bank accounts maintained on behalf of clients.

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

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
<b>15.1 Issued, subscribed and paid-up capital</b>			
Ordinary shares of Rs. 10 each fully paid in cash		495,000,000	450,000,000
Issued as bonus shares		-	45,000,000
		<u>495,000,000</u>	<u>495,000,000</u>

### **16. SHORT TERM BORROWING - SECURED**

#### **16.1 Short term running finance - secured**

Short term running finance - secured	16.1.1	-	149,996,346
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**16.1.1** Running finance facility of Rs. 150 million (30 June 2021: Rs. 150 million) has been obtained by the Company from schedule bank having expiry on 30 June 2022 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 2021: 3 month KIBOR + 3.5%).

17. Commercial papers of face value Rs. 100 million were issued at the rate of 13.5% per annum, of which Rs. 23 million was subscribed by the related parties.

**18. TRADE AND OTHER PAYABLES**

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
Trade creditors	18.1	258,766,314	276,688,181
Payable to National Clearing Company of Pakistan Limited		-	192,499,404
Accrued commission to traders	18.2	4,463,531	13,741,698
Accrued salaries and other expenses		3,609,098	11,619,068
Payable to auditors		638,426	1,062,856
Tax deducted at source		5,635,255	6,530,863
Commission payable	18.3	78,252	78,252
Accrued markup		1,319,307	3,894,250
Other payables		19,746,916	2,531,076
Markup payable on commercial paper		7,364,553	-
Other accrued expenses		-	1,366,264
		<b>301,621,652</b>	<b>510,011,912</b>

- 18.1 This includes trade payable of Rs. 23.508 million (30 June 2021:Rs. 7.532 million) payable to related parties.

- 18.2 This includes commission payable of Rs. 0.832 million (30 June 2021: Rs. 6.652 million) to related parties.

- 18.3 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.

<b>19.2</b>	<b>Commitments</b>	<b>31 March 2022 (Un-audited) (Rupees)</b>	<b>30 June 2021 (Audited)</b>
	For sale of quoted securities under future contracts against counter commitments	<b><u>149,957,760</u></b>	<b><u>1,752,192,095</u></b>
	For purchase of quoted securities under future contracts against counter commitments	<b><u>253,086,145</u></b>	<b><u>1,597,187,080</u></b>

- 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 2022.

<b>20.</b>	<b>OPERATING REVENUE</b>	<b>Nine months period ended 31 March</b>		<b>Quarter ended 31 March</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>----- (Unaudited) -----</b>			
		<b>----- (Rupees) -----</b>			
Brokerage income	20.2	<b>158,662,305</b>	255,828,219	<b>36,373,214</b>	101,436,307
Advisory / consultancy fee		<b>18,422,212</b>	49,570,207	<b>10,387,499</b>	6,441,000
Commodity Income		<b><u>775,785</u></b>	<u>370,622</u>	<b><u>296,420</u></b>	<u>370,622</u>
		<b>177,860,302</b>	305,769,048	<b>47,057,133</b>	108,247,929
Less: Sales tax on services		<b><u>20,404,283</u></b>	35,134,332	<b>5,356,130</b>	12,410,664
	20.1	<b><u>157,456,019</u></b>	<u>270,634,716</u>	<b><u>41,701,003</u></b>	<u>95,837,265</u>

- 20.1** This includes Rs. 40.685 (31 March 2021: Rs. 112.666) million brokerage income earned from institutional clients, Rs. 94.401 (31 March 2021: Rs. 157.098) million brokerage income earned from retail clients and Rs. "Nil" (31 March 2020: Rs. "Nil") brokerage Income earned on proprietary trades.

**20.2** This includes brokerage earned from related parties amounting to Rs. 1.560 million (31 March 2021: Rs. 1.959 million).

## 21. OPERATING EXPENSES

Note	Nine months period ended 31 March		Quarter ended 31 March	
	2022	2021	2022	2021
	(Unaudited)			
	(Rupees)			
Salaries, wages and other benefits	53,113,740	44,661,412	19,061,983	14,808,344
Consultancy fee	955,154	2,547,915	238,007	-
Commission and referral fee	27,674,193	60,213,919	4,744,307	25,314,565
Sub-underwriting commission	1,083,374	-	-	-
Service and transaction charges	11,020,462	16,293,408	3,051,761	5,817,018
Fees and subscription	10,439,518	6,836,721	2,898,299	2,111,211
	<u>104,286,441</u>	<u>130,553,375</u>	<u>29,994,357</u>	<u>48,051,138</u>

**21.1** This includes consultancy fee to the directors of the Company amounting to Rs. 0.637 million (31 March 2021: Rs. 0.637 million).

**21.2** This includes commission to the directors of the Company amounting to Rs.7.193 million (31 March 2021: Rs. 27.135 million).

## 22. ADMINISTRATIVE EXPENSES

	Nine months period ended 31 March		Quarter ended 31 March	
	2022	2021	2022	2021
	(Unaudited)			
	(Rupees)			
Salaries, wages and other benefits	43,456,696	36,541,155	15,596,167	12,115,917
Telephone and communication charges	5,244,872	3,196,818	1,137,916	1,052,324
Rent expense	268,819	-	-	-
Utility charges	2,736,779	1,612,037	617,327	663,137
Vehicle running expenses	3,006,346	2,246,905	1,130,439	933,517
Depreciation	20,406,175	15,701,787	6,893,917	5,077,058
Amortisation	200,315	53,751	66,772	17,917
Legal and professional charges	1,456,001	1,036,060	42,500	202,500
Auditor's remuneration	1,128,692	650,000	-	-
Insurance	1,334,064	1,162,029	131,975	203,212
Printing, stationery and postage charges	1,275,056	842,343	469,908	278,331
Office supplies	954,888	586,719	224,643	332,580
Office repair and maintenance	2,934,100	2,226,380	654,746	869,469
Fees and subscription	2,138,215	1,400,292	593,628	432,417
Travelling and entertainment charges	1,807,903	434,172	259,982	271,841
Advertisement expenses	3,541,404	170,540	2,883,902	3,150
Security expense	3,453,069	2,319,570	1,444,360	862,917
Generator Fuel	229,847	196,372	146,741	-
Miscellaneous expenses	4,182,320	1,676,828	1,516,454	617,196
	<u>99,755,561</u>	<u>72,053,758</u>	<u>33,811,377</u>	<u>23,933,483</u>

## 23. OTHER INCOME

Mark-up / interest on:				
- Bank balances (under mark-up arrangements)	16,652,076	12,040,142	4,779,942	4,072,389
- Investment in marginal financing system	7,354,497	3,694,631	-	3,446,763
- Exposure margin	9,018,983	7,322,215	3,806,708	1,874,344
Dividend income	474,900	-	-	-
Gain on lease termination	319,359	-	-	-
Gain on sale of assets	-	1,700,000	-	1,700,000
Miscellaneous income	995,536	199,899	192,012	(87,029)
	<u>34,815,351</u>	<u>24,956,887</u>	<u>8,778,662</u>	<u>11,006,467</u>

## 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**

	<b>Nine months ended</b>		<b>Quarter ended</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	----- (Un-audited) -----			
	----- (Rupees) -----			
(Loss) / profit for the period	<u><b>(83,798,262)</b></u>	<u>51,512,190</u>	<u><b>(26,550,819)</b></u>	<u>15,152,913</u>
	----- (Numbers) -----			
Weighted average number of ordinary shares in issue during the period	<u><b>49,500,000</b></u>	<u>49,500,000</u>	<u><b>49,500,000</b></u>	<u>49,500,000</u>
	----- (Rupees) -----			
(Loss) / earnings per share - basic and diluted	<u><b>(1.69)</b></u>	<u>1.04</u>	<u><b>(0.54)</b></u>	<u>0.31</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	
	2022	2021	2022	2021	2022	2021
	(Un-audited)					
	(Rupees)					
Managerial remuneration	9,000,000	13,829,730	-	-	46,348,445	31,487,649
House rent allowance	3,600,000	3,600,000	-	-	18,539,378	9,030,146
Medical	900,000	900,000	-	-	4,634,844	2,257,536
Commission fee	-	-	7,193,767	27,135,205	8,045,835	29,628,541
Consultancy fee	-	-	636,979	636,979	-	-
	<b>13,500,000</b>	<b>18,329,730</b>	<b>7,830,746</b>	<b>27,772,184</b>	<b>77,568,502</b>	<b>72,403,872</b>
Number of persons	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>34</b>	<b>21</b>

**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.7.193 million (31 March 2021: Rs. 27.772 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 2022 (Un-audited)							
	Carrying value				Fair value		
	FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
<b>On balance sheet financial instruments</b>							
	(Rupees)						
<b>Financial assets measured at fair value</b>							
Listed equity securities	57,055,789	-	-	-	57,055,789	-	-
Term finance certificates	4,019,064	-	-	-	-	4,019,064	-
<b>Financial assets not measured at fair value</b>							
Long term deposits	-	-	20,540,852	-			
Trade debts - considered good	-	-	169,759,923	-			
Investment in marginal financing system	-	-	11,422,296	-			
Deposits and prepayments	-	-	114,697,940	-			
Advances and other receivables	-	-	2,571,094	-			
Cash and bank balances	-	-	274,583,505	-			
	61,074,853	-	593,575,610	-			
<b>Financial liabilities not measured at fair value</b>							
Lease liabilities	-	-	-	31,517,540			
Unclaimed dividend	-	-	-	3,004,827			
Short term borrowing - secured	-	-	-	-			
Short term borrowing - unsecured	-	-	-	90,920,413			
Trade and other payables	-	-	-	301,621,652			
Contract liabilities	-	-	-	1,166,667			
	-	-	-	428,231,099			
30 June 2021 (Audited)							
	Carrying value				Fair value		
	FVTPL	FVTOCI - equity instrument	Financial asset at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
<b>On balance sheet financial instruments</b>							
	(Rupees)						
<b>Financial assets measured at fair value</b>							
Term finance certificates	4,009,645	-	-	-	-	4,009,645	-
<b>Financial assets not measured at fair value</b>							
Long term deposits	-	-	36,206,252	-			
Trade debts - considered good	-	-	382,451,422	-			
Investment in marginal financing system	-	-	70,326,739	-			
Deposits and prepayments	-	-	208,502,668	-			
Advances and other receivables	-	-	4,207,940	-			
Cash and bank balances	-	-	332,701,076	-			
	4,009,645	-	1,034,396,097	-			
<b>Financial liabilities not measured at fair value</b>							
Lease liabilities	-	-	-	41,955,849			
Unclaimed dividend	-	-	-	3,055,446			
Short term borrowing - secured	-	-	-	149,996,346			
Short term borrowing - unsecured	-	-	-	-			
Trade and other payables	-	-	-	510,011,912			
	-	-	-	705,019,553			

**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**

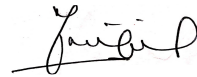
These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on April 27, 2022.



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**Chief Executive Officer**

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**Chief Financial Officer**

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**Director**





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