



QUARTERLY REPORT
SEPTEMBER 30, 2021



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COMPANY INFORMATION

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

DIRECTORS' REPORT

Economic Review & Outlook

Start of the new fiscal year 2021-22 brought new challenges for the economy of Pakistan where the recovery in growth momentum is picking up not only in Pakistan but in various economies of the World also, which coupled with supply constraints has led to a surge in international commodities prices in general and energy prices in particular. During the period under review, Pakistan posted a Current Account deficit of USD3.4 billion against a surplus of USD865 million during the same period last year. Exports recovered to USD7.2 billion posting a growth of 35% over the same period last year but higher commodities prices and increased domestic demand resulted in a surge in imports of goods to USD17.5 billion soaring 64% compared to the same period last year. Trade deficit in goods expanded to USD10.2 billion compared to USD5.3 billion of the same period last year. On the services side, exports increased to USD1.6 billion growing by 23% led by exports of technology sector, while imports of services increased by 27% to USD2.3 billion led by transport sector, resulting in expansion of trade deficit in services to USD717 million compared to USD533 million of the same period last year. Remittances maintained their healthy contribution and posted a growth of 12% to USD8 billion.

Despite this deficit in Current Account, Pakistan's foreign exchange reserves at the end of the period under review, stands at USD26 billion compared to USD24.4 billion at the end of the previous fiscal year. This increase is attributable primarily to USD2.8 billion inflows against allocation of SDRs by the IMF, and other external liabilities. Pakistani Rupee parity against the US Dollar has suffered a lot during the period under review due to increased outflows amidst rising imports and flight to Afghanistan post exit of the US forces and the new regime. PKR depreciated against the USD by 8.3% during the period under review and closed at PKR170.31/USD, and the pressure continues at the time of filing this report.

Inflation largely due to base effect has remained well-contained and average inflation during the period under review stands at 8.6% compared to 8.8% of the same period last year. During the ongoing year, urban inflation is out-pacing the rural inflation with readings of 8.7% and 8.4%, respectively for the period under review compared to 7.6% and 10.9%, respectively for the same period last year. Apart from food inflation that is putting pressure on inflation, higher electricity and fuel prices are also adding on to inflationary pressures. The SBP's latest monetary policy statement says that the pace of economic recovery has exceeded expectations. All sectors including Agriculture, Industrial, and Services sectors are expected to witness a healthy recovery during the ongoing fiscal year. LSM growth has averaged 7.3% during the first 2 months of the ongoing fiscal year compared to 2.9% during the same period last year. LSM reported a staggering growth of 14.9% during the previous fiscal year showing a "V"-shaped recovery from the pandemic. Considering the growth momentum in the domestic economy, and expectations of increased inflationary pressures as higher international commodities prices takes toll, the Monetary Policy Committee of the SBP, increased interest rates by 25bps in September 2021 marking the start of the monetary tightening cycle to control inflation and optimize growth to check external account imbalances.

After exceeding target collection for 2020-21, FBR tax collection during the period under review stood at PKR1.4 trillion surpassing its target of PKR1.2 trillion, marking an improvement of 38% over the same period last year. Going forward with higher imports value and growth in GDP, achievement of the target of PKR5.8 trillion for the ongoing fiscal year can not be ruled out.

Amidst the global commodities price shock, Pakistan is faced with multiple challenges in both external and fiscal fronts. Under the current circumstances, continuity of the IMF program is necessary not only for securing external funding from the IMF and other multilateral and bilateral sources, but also for the implementation of the structural reforms agenda to achieve all-inclusive long-term sustainable growth. The Board is of the view that with the successful completion of the ongoing IMF review, the Saudi oil facility and expected reversal in international commodities prices during the latter half of the year, Pakistan's Current Account deficit is expected to remain within manageable ranges. However, considering the delayed impacts of higher international commodities prices on inflation and their spill-over effects, the Board expects interest rates to be raised further during the remaining part of the ongoing fiscal year. With the end of the fourth COVID-19 wave and accelerated vaccination drive, growth momentum in the economy is expected to remain healthy, however, depreciating currency and higher interest rates could somewhat slowdown the momentum.

Equities market performance and outlook

During the period under review, the benchmark KSE100 Index shed 2,456 points to close at 44,900 level, losing 5.2%. Activity during the period under review also remained thin with average volumes of 412 million shares and average trading value of PKR13.9 billion compared to 500 million shares and PKR17.6 billion, respectively during the same period last year. Trading activity also reduced when compared to the previous quarter ending June 2021 with average volumes of 669 million shares and value of PKR20.3 billion. Investors remained at bay amidst the uncertain geo-political and domestic conditions and macroeconomic pressures with weakening PKR and suspended IMF talks. Foreign investors sold equities worth USD83.4 million while Individuals, Other Organizations and Banks/DFIs were the major buyers in the market.

Going forward, the Board is of the opinion that the domestic bourse is trading at attractive valuations and offers healthy dividend yields. Considering the long-term fundamentals of the country and growth potential of the economy while the current challenges being largely manageable, the outlook for the domestic equities market remains positive.

Performance Overview:

The following table depicts the Company's performance in the quarter under review:

	Sept - 2021	Sept - 2020
	PAK RUPEES	
Accumulated profit/(loss) as at July 01	42,396,298	7,085,268
Net Profit/ loss for the period	(25,266,381)	16,857,902
Accumulated profit/ (loss) as at September 30	24,215,185	23,943,171
Earnings Per Share Rupees	(0.56)	*0.34

***Restated**

The Company posted a pre-tax loss of PKR 23.16 million during the quarter as compared to a pre-tax profit of PKR 24.12 million last year in the corresponding quarter. The loss is mainly due to unrealized loss on remeasurement of company's investments owing to deteriorated capital market condition and the increase in running expenses brought about by the new projects taken up in line with the company's strategy to expand its business.

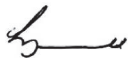
Revenue from Equity Trading did not change significantly as compared to the last year in the corresponding quarter, while overall operating revenues of the company reduced to PKR 68.8 million from PKR 88.6 million in the corresponding quarter of the previous year, mainly due to the reduction in Advisory revenues.

Administrative expenses increased by PKR 10.1million, while operating expenses also grew by PKR 6 million corresponding to the increase in business activity in the first quarter of the fiscal year.

The company is restructuring its business processes and systems and expects more such costs in the near future.

For and on behalf of the Board of Directors

Date: October 22, 2021



Muhammad Najam Ali
Chief Executive Officer



Zubair Ellahi
Director

Next Capital Limited
Statement of Financial Position
As at 30 September 2021

	Note	30 September 2021	30 June 2021
		----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	6	68,169,208	78,028,115
Right of use assets		24,816,073	31,741,341
Intangible assets	7	4,269,861	3,482,361
Long term investment		-	-
Long term deposits	8	9,506,252	36,206,252
Deferred tax asset - net		6,749,039	5,932,242
		<u>113,510,433</u>	<u>155,390,311</u>
Current assets			
Short term investments	9	94,631,930	4,009,645
Investment in marginal financing system	10	141,801,991	70,326,739
Trade debts	11	236,246,705	382,451,422
Deposits and prepayments	12	106,952,359	208,502,668
Advances and other receivables	13	17,583,175	4,207,940
Income tax refundable		41,801,485	41,911,318
Cash and bank balances	14	375,286,496	332,701,076
		<u>1,014,304,141</u>	<u>1,044,110,808</u>
Total assets		<u><u>1,127,814,574</u></u>	<u><u>1,199,501,119</u></u>
EQUITY AND LIABILITIES			
Share capital and reserve			
Authorised capital			
100,000,000 (30 June 2019: 100,000,000) ordinary shares of Rs. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	15	495,000,000	495,000,000
Discount on issue of shares		(50,000,000)	(50,000,000)
Revenue Reserves			
Unappropriated profits / (loss)		24,215,185	49,481,566
Fair value reserves		-	-
		<u>469,215,185</u>	<u>494,481,566</u>
Non-current liabilities			
Lease Liabilities		30,360,903	31,321,593
Current liabilities			
Unclaimed dividend		3,055,446	3,055,446
Current portion of lease liabilities		6,224,711	10,634,256
Short term borrowing - secured		149,996,346	149,996,346
Trade and other payables	16	468,961,983	510,011,912
		<u>628,238,486</u>	<u>673,697,960</u>
Total equity and liabilities		<u><u>1,127,814,574</u></u>	<u><u>1,199,501,119</u></u>
Contingencies and commitments	17		

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



Chief Executive Officer



Chief Financial Officer



Director

Next Capital Limited

Statement of Profit or Loss

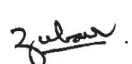
For the quarter ended 30 September 2021

		(Unaudited)	
		For the quarter ended	
	<i>Note</i>	30 September 2021	30 September 2020
		----- (Rupees) -----	
Operating revenue	18	68,830,696	88,585,315
Capital (loss) / gain on sale of investments		1,060,369	259,472
Unrealised loss on remeasurment of investments - Fair value through profit or loss		(20,343,757)	-
Operating expenses	19	(44,813,681)	(38,642,241)
Administrative expenses	20	(32,966,468)	(22,247,051)
Impairment reversal /(loss) on trade debts		(1,308,899)	(2,978,647)
Finance cost	21	(6,590,911)	(5,823,322)
		(36,132,651)	19,153,526
Other income	22	12,967,170	4,969,914
Profit before taxation		(23,165,481)	24,123,439
Taxation			
- Current		(2,917,697)	(7,738,388)
- Prior		-	-
- Deferred		816,797	472,851
		(2,100,900)	(7,265,537)
Profit for the year		(25,266,381)	16,857,902
			Restated
Earnings per share - basic and diluted	24	(0.56)	0.34

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



Chief Executive Officer


Chief Financial Officer


Director

Next Capital Limited

Statement of Cash Flows

For the quarter ended 30 September 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

(Unaudited)	
For the quarter ended	
30 Sept 2021	30 Sept 2020
----- (Rupees) -----	

(23,165,481) 24,123,439

Adjustments for:

Depreciation of property and equipment

Depreciation on Right of use asset

Amortisation of intangible assets

Capital loss / (gain) on sale of investments

Unrealised loss on remeasurement of

investments - Fair value through profit or loss

Mark-up on bank balances

Mark-up on T-bills

Mark-up on investment in margin financing system

Mark-up under margin trading system

Profit on cash margin

Impairment reversal / (loss) on trade debts

Finance cost

20	5,032,481	3,365,536
20	1,621,697	1,621,697
20	-	17,917
	(1,060,369)	(259,472)
	20,343,757	(3,361,153)
22	(5,418,899)	(86,256)
	-	-
22	(5,138,481)	-
22	-	-
22	(2,409,790)	(1,522,505)
	1,308,899	2,978,647
21	6,590,911	5,823,322
	20,870,206	8,577,733
	(2,295,275)	32,701,172

Cash flows before working capital changes

Changes in working capital

(Increase) / decrease in current assets

Trade debts

Advances, deposits, prepayments and other receivables

147,849,712	(143,636,451)
88,175,074	158,156,388
236,024,786	14,519,937

Increase / (decrease) in current liabilities

Trade and other payables

Cash used in operating activities

(131,867,564)	30,402,183
101,861,947	77,623,292

Finance cost paid

Taxes paid

Net cash used in operating activities

(112,789)	(4,248,484)
(2,807,864)	(3,045,435)
98,941,294	70,329,373

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for purchase of property and equipments

Proceeds from sale of property and equipment

Payments against investment in margin financing system

Receipts from investment in margin financing system

Investments - net

Mark-up received on bank balances and exposure margin

Mark-up received on investment in margin financing system

Mark-up received on investment in margin trading system

Long term deposits

Net cash generated from investing activities

6	(2,246,863)	(4,849,280)
	-	-
10	(279,940,708)	(53,956,369)
10	207,750,006	54,042,577
	(11,350,510)	-
	7,828,689	739,821
	5,138,481	4,883,658
	-	86,033
	26,700,000	-
	(46,120,905)	946,440

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short term loans

Repayment of short term loans

Lease rental paid

Dividends paid

Net cash (used in) / generated from financing activities

90,920,413	-
-	-
(1,539,849)	(1,283,040)
-	-
89,380,564	(1,283,040)

Net (decrease) / increase in cash and cash equivalents

142,200,953 69,992,773

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

182,704,730 18,721,942

324,905,683 88,714,715

CASH AND CASH EQUIVALENTS COMPRISE OF:

Cash and bank balances

Short term borrowing - secured

375,286,496 238,711,062


(149,996,346) (149,996,346)

225,290,150 88,714,715


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



Chief Executive Officer



Chief Financial Officer



Director

Next Capital Limited
Statement of Changes in Equity
For the quarter ended 30 September 2021

	Issued, subscribed and paid-up capital	Discount on issue of shares	Revenue Reserve		Total
			Unappropriated Profit / (loss)	Fair value Reserve	
			(Rupees)		
Balance as at 30 June 2019	450,000,000	(50,000,000)	(8,188,270)	3,243,582	395,055,312
Transaction with owners of the company					
Adjustment on initial application of IFRS 16, net of tax	-	-	(2,520,775)	-	(2,520,775)
	450,000,000	(50,000,000)	(10,709,045)	3,243,582	392,534,537
Total comprehensive income for the year					
Profit for the year	-	-	17,794,313	-	17,794,313
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-
Other comprehensive income	-	-	-	(3,351,701)	(3,351,701)
	-	-	17,794,313	(3,351,701)	14,442,612
Balance as at 30 June 2020	450,000,000	(50,000,000)	7,085,268	(108,119)	406,977,149
Total comprehensive income for the year					
Net Profit / (Loss) for the period	-	-	81,998,328	-	81,998,328
Bonus shares issued during the year	45,000,000	-	(45,000,000)	-	-
Gain on sale of FVOCI investment during the year	-	-	-	5,506,089	5,506,089
Transfer of realized gain from fair value reserve to unappropriated profit on disposal of investment	-	-	5,397,970	(5,397,970)	-
	-	-	-	-	-
Balance as at 30 June 2021	45,000,000	-	42,396,298	108,119	87,504,417
Total comprehensive income / (Loss) for the period	-	-	(25,266,381)	-	(25,266,381)
	-	-	(25,266,381)	-	(25,266,381)
Balance as at 30 September 2021	495,000,000	(50,000,000)	24,215,185	-	469,215,185



Chief Executive Officer



Chief Financial Officer



Director

Next Capital Limited

Notes to the Condensed Interim Financial Information (Un-audited)

For the Three months period ended 30 September 2021

1. STATUS AND NATURE OF BUSINESS

Next Capital Limited ("the Company") was incorporated as a public limited company in Pakistan on 14 December 2009 under repealed Companies Ordinance, 1984. The Company has obtained corporate membership from Pakistan Stock Exchange Limited ("the Exchange") on 2 February 2010 and was listed on the said Exchange on 27 April 2012.

The Company is a TREC holder of Pakistan Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited and is accredited broker by Financial Market Association of Pakistan. The Company is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities, forex and other financial instruments and corporate finance services. Further, the Company is engaged in trading in equity and debt securities on its own account through ready, spot and forward counters of the stock exchange. The registered office of the Company is situated at 2nd Floor, Imperial court, Dr. Ziauddin Ahmed Road, Karachi.

The Company has branches at the following locations:

- 63-A, Agora Eden city, DHA Phase 8, Lahore.
- 1st Floor, Plaza No. 88, Commercial Area, Main Cavalry Ground, Lahore Cantt.
- Office 1304, 13th Floor, DT Tower, Plot # 5, Jinnah Avenue, Bahria Town, Karachi

1.1 Impact of COVID-19 on the financial statements

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June 2021.

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

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

2.5 The comparative balance sheet and the condensed interim statement of changes in equity presented in this condensed interim financial information as at 30 September 2021 has been extracted from the audited financial statements of the Company for the year ended 30 June 2021, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement, are extracted from the unaudited condensed interim financial information for the three months period ended 30 September 2020.

2.6 Basis of Measurement

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

2.7 Functional and presentation Currency

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

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are same as those applied in the preparation of the financial statements for the year ended 30 June 2021.

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

Certain new amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2021.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those that are disclosed in the annual financial statements as at and for the year ended 30 June 2021.

6. PROPERTY AND EQUIPMENTS

	Note	30 September 2021 (Unaudited)	30 June 2021 (Audited)
		----- (Rupees) -----	
Opening written down value		71,742,326	53,730,404
Additions during the period / year - at cost			
- Lease hold improvement		-	-
- Furniture and fixtures		637,617	-
- Vehicles - owned / leased		83,281	25,124,500
- Leashold improvements		-	-
- Computers and related accessories		738,465	7,828,779
		1,459,363	32,953,279
Written down value of deletions during the period / year		-	-
Depreciation for the period / year		(5,032,481)	(14,941,357)
		(5,032,481)	(14,941,357)
Closing written down value		68,169,208	71,742,326

7. INTANGIBLE ASSETS

Pakistan Mercantile Exchange - Membership card		950,000	950,000
Trading Right Entitlement Certificate (TREC)	7.1	2,500,000	2,500,000
Software	7.2	819,861	32,361
		4,269,861	3,482,361

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

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

	Note	30 September 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
<i>Net carrying value basis</i>			
Opening net book value		32,361	86,112
Additions		787,500	-
Amortisation charge		-	(53,751)
Closing net book value		819,861	32,361
<i>Gross carrying value</i>			
Cost		5,153,660	5,153,660
Accumulated amortisation		(5,121,299)	(5,121,299)
Net book value		32,361	32,361
Amortisation rate		33%	33%

		30 September 2021 (Un-audited)	30 June 2021 (Audited)
8. LONG TERM DEPOSITS	Note	----- (Rupees) -----	
Pakistan Stock Exchange Limited	8.1	4,800,000	31,500,000
Central Depository Company of Pakistan Limited		125,000	125,000
National Clearing Company of Pakistan Limited		1,425,000	1,425,000
Pakistan Mercantile Exchange	8.2	1,250,000	1,250,000
Security deposit against office premises		1,786,252	1,786,252
Security deposit against PSO card		120,000	120,000
		<u>9,506,252</u>	<u>36,206,252</u>

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

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

9. SHORT TERM INVESTMENT CLASSIFIED AS "AT FAIR VALUE THROUGH PROFIT OR LOSS"		Note	30 September 2021 (Un-audited)	30 June 2021 (Audited)
			----- (Rupees) -----	
Listed shares		9.1	<u>94,631,930</u>	<u>4,009,645</u>
9.1 Listed shares				
30 September 2021 (Un-audited) (Number of shares)	30 June 2021 (Audited)	Name of investee	30 September 2021 Carrying amount (Un-audited)	30 June 2021 Carrying amount (Audited)
			Market value (Un-audited)	Market value (Audited)
			----- (Rupees) -----	----- (Rupees) -----
2,374,500		Pakistan Stock Exchange Limited	51,976,085	43,358,370
205,869		Attock Refinery Limited	47,639,448	36,805,260
21,000		TRG Pakistan Limited	3,494,382	3,395,070
117,000		Telecard Limited	2,187,771	2,052,180
223,500		Hum Network Limited	1,513,026	1,336,530
7,000		Ghandhara Nissan Limited	769,769	609,910
62,000		Byco Petroleum Limited	577,917	507,160
13,000		Unity Foods Limited	441,043	405,860
20,000		Ghani Global Glass Limited	418,350	334,200
8,000		Treet Corporation Limited	362,404	340,720
11,000		Azgard Nine Limited	240,384	221,650
60,000		WorldCall Telecom Limited	185,700	163,200
1,500		Tariq Glass Industries Limited	157,926	152,175
5,000		Fauji Fertilizer Bin Qasim Limited	113,936	112,500
2,000		Engro Polymer & Chemicals Limited	112,860	110,140
500		International Industries Limited	82,725	83,385
9,500		The Bank of Punjab Limited	81,071	77,520
500		NetSol Technologies Limited	69,402	62,440
3,000		Aisha Steel Mills Limited	69,017	62,430
3,500		Fauji Cement Limited	66,211	62,825
500		Habib Bank Limited	60,350	54,675
500		Avanceon Limited	59,194	61,680
3,000		Balochistan Glass Limited	40,433	34,140
1,000		The Organic Meat Company Limited	39,189	35,930
1,000		Pak Elektron Limited	29,516	27,550
500		Gul Ahmed Textile Mills Limited	27,899	27,405
500		Amreli Steels Limited	21,218	19,575
2,000		Pakistan Telecommunication Company Limited	21,072	18,720
3,000		Pace (Pak) Limited	21,057	14,730
1,000		Fauji Foods Limited	20,186	15,530
500		TPL Corporation Limited	11,669	10,185
500		Waves Singer Pakistan Limited	11,412	9,440
1,000		Pakistan International Bulk Terminal	9,948	8,910
2,500		K-Electric Limited	9,086	10,000
500		Al Shaheer Corporation Limited	8,493	7,100
500		Siddiqsons Tin Plate Limited	7,960	6,170
1,000		Power Cement Limited	7,934	7,020
Unrealised gain / (Loss) on re-measurement of investment classified as fair value through profit and loss account			(20,343,758)	-
			<u>90,622,285</u>	<u>-</u>
			<u>90,622,285</u>	<u>-</u>

9.2 Term Finance Certificates			30 September 2021		30 June 2021	
30 September 2021 (Un-audited) (Number of certificates)	30 June 2021 (Audited)	Name of investee	Carrying amount (Un-audited)	Market value	Carrying amount (Audited)	Market value
802	802	Soneri Bank Limited	4,009,645	4,009,645	4,009,645	4,009,645

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

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

10. INVESTMENT IN MARGINAL FINANCING SYSTEM

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

11. TRADE DEBTS - considered good	Note	2021 (Un-audited)	2021 (Audited)
		----- (Rupees) -----	
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	11.1	228,592,057	364,993,769
- Brokerage commission			
- Equity Shares		7,876,313	11,114,436
- Money market and forex		1,420,463	1,026,445
- Consultancy fee		7,354,575	13,004,576
- Provision for doubtful debts		(8,996,703)	(7,687,804)
		236,246,705	382,451,422
Receivable from National Clearing Company of Pakistan Limited		-	-
		236,246,705	382,451,422
Provision for doubtful debts			
Opeing balance		7,687,804	11,477,432
Additional impairment during the period under IFRS 9		1,308,899	-
(Reversal)/Impairment during the period - net		-	(3,789,628)
Closing balance		8,996,703	7,687,804

11.1 This includes trade debts of Rs. 10.671 (30 June 2021: Rs. "Nil") receivable from related parties.

Aging analysis

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

	Note	Amount	Custody value
		----- (Rupees) -----	
Upto five days	11.2	196,802,238	2,825,139,757
More than five days	11.2	31,756,413	2,725,179,128
		228,558,651	5,550,318,885

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

	Note	30 September 2021 (Un-audited) ----- (Rupees) -----	30 June 2021 (Audited)
12. DEPOSITS AND PREPAYMENTS			
Receivable from NCCPL		-	-
Deposit of exposure margin	12.1	53,663,086	180,830,891
Deposit against Marginal Trading Services	12.2	40,931,293	21,932,976
Security deposits	12.3	347,250	347,250
Mobilization advance		6,634,374	-
Prepaid expenses		3,083,731	3,023,111
Sales tax receivables		2,292,625	2,368,440
Markup receivable against bank deposits		-	-
		<u>106,952,359</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. These deposits carry profit at rates ranging from 4.00% to 5.61% (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 against trade and sustained losses to date on Marginal Trading Services. These deposits carry profit at rates ranging from 4.00% to 5.61% (30 June 2021: 4.00% to 5.61%) per annum.

12.3 This includes security deposit against leased asset.

	30 September 2021 (Un-audited) ----- (Rupees) -----	30 June 2021 (Audited)
13. ADVANCES AND OTHER RECEIVABLES		
<i>Considered good</i>		
Advance against salary - secured	2,214,273	2,451,273
Other receivables and advances - unsecured	15,368,902	1,756,667
	<u>17,583,175</u>	<u>4,207,940</u>

	Note	30 September 2021 (Un-audited) ----- (Rupees) -----	30 June 2021 (Audited)
14. CASH AND BANK BALANCES			
Balances with banks:	14.1		
Saving accounts - profit and loss account		316,630,921	321,797,850
Current accounts - Conventional		9,083,445	9,018,099
Current accounts - Shariah Compliant		49,498,234	1,848,672
		<u>375,212,600</u>	<u>332,664,621</u>
Cash in hand		73,896	36,455
		<u>375,286,496</u>	<u>332,701,076</u>

14.1 This includes Rs. 322.833 million (30 June 2021: Rs. 315.726) million kept in designated bank accounts maintained on behalf of clients. Profit rate on saving accounts ranges from 5.50% to 6.61% per annum (30 June 2021: 5.50% to 6.61% per annum).

	30 September 2021 (Un-audited) ----- (Rupees) -----	30 June 2021 (Audited)
15. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
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	45,000,000	45,000,000
	<u>495,000,000</u>	<u>495,000,000</u>

15.2 Pattern of shareholding

Categories of Shareholders	Number of shares held	% of shares held
Companies		
Directors and their spouse(s) and minor children		
Name:		
1.Muhammad Najam Ali	13,605,075	27.485
2.Mrs. Hanna Khan	1,210,893	2.446
3.Muhammad Zulqarnain Mehmood Khan	7,831,225	15.821
4.Muhammad Zubair Ellahi	618	0.001
5.Lt. General (Retd.) Tariq Waseem Ghazi	26,537	0.054
6.Hassan Shahnawaz	2,475	0.005
7.Malik Khurram Shahzad	1,100	0.002
Associated companies, undertakings and related parties	-	-
Executives	-	-
Public Sector Companies and Corporations	-	-
Banks, development finance institutions, non- banking finance companies, insurance companies, takaful, modarabas and pension funds	4,796,550	10
Others	22,025,527	44.496
Total	49,500,000	100
Shareholders holding 5% or more		
Muhammad Najam Ali	13,605,075	27.485
Muhammad Zulqarnain Mehmood Khan	7,831,225	15.821
Adnan Afridi	4,949,450	9.9989
Maple Leaf Cement Factory Ltd	3,712,500	7.5
MCB Bank Limited - Treasury	4,796,550	9.69

	Note	30 September 2021 (Un-audited)	30 June 2021 (Audited)
16. TRADE AND OTHER PAYABLES		----- (Rupees) -----	
Trade creditors	16.1	314,834,768	276,688,181
Payable to National Clearing Company of Pakistan Limited		-	192,499,404
Accrued commission to traders	16.2	7,279,438	13,741,698
Accrued salaries and other expenses		13,970,114	11,619,068
Auditor's remuneration		1,062,856	1,062,856
Tax deducted at source		5,475,364	6,530,863
Commission payable	16.3	78,252	78,252
Accrued expenses		-	1,366,264
Markup payable		3,914,864	3,894,250
Other payables		30,178,424	2,531,076
Commercial paper		92,164,653	
		468,958,733	510,011,912

16.1 This includes trade payable of Rs. 0.532 (30 June 2021: Rs. 7.532) million to related parties.

16.2 This includes commission payable of Rs. 3.387 (30 June 2021: Rs. 6.652) million to related parties.

16.3 This represents commission payable to a foreign brokerage house.

17. CONTINGENCIES AND COMMITMENTS

- 17.1** The Sindh Revenue Board (SRB) passed an Order for recovery of Sindh sales tax on advisory services amounting to Rs. 871,581 for the tax period July 2011 to June 2012. The Company filed appeal before the Commissioner Appeals (SRB) against the said order. The Commissioner Appeals (SRB) passed the final order dated 21 November 2014 for recovery of assessed amount Rs. 871,581 and default surcharge to be calculated at the time of payment.

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

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

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

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

- 17.1.2** The Sindh Revenue Board issued notice to the Company in respect of short payment of sales tax for the tax periods from July 2011 to June 2018 amounting to Rs. 22.382 million. The Company provided all the relevant details and explanation to the SRB and also paid tax amounting to Rs. 6.509 million along with penalty and default surcharge amounting to Rs.0.375 million under the amnesty scheme provided through notification no. SRB-3-4/11/2018 dated May 18, 2018.

After the compliance and payment no further notice has been received.

- 17.1.3** During the year 2019-20, one of the client filed a case before the civil court of Lahore against; the Company, Pakistan Stock Exchange Limited, Securities and Exchange Commission of Pakistan and Central Depository Company, seeking rendition of accounts and permanent injunction from the Company. The hearing of the case is pending before the High Court. The Company based on its lawyer's assessment and its legal standing is confident of a favourable outcome of the same, therefore, no provision has been made in this regard.

17.2 Commitments

For sale of quoted securities under future contracts against counter commitments

143,437,700 **1,752,192,095**

For purchase of quoted securities under future contracts against counter commitments

372,716,605 **1,597,187,080**

		Quarter ended 30 September	
		2021	2020
		----- (Rupees) -----	
18. OPERATING REVENUE	Note		
Brokerage income	18.1 & 18.2	68,137,038	68,681,199
Advisory / consultancy fee		693,658	19,904,116
		68,830,696	88,585,315

- 18.1** This includes brokerage earned from related parties amounting to Rs. 0.926 (30 September 2020: Rs.0.137) million.

18.2 This includes Rs. 12.498 (30 September 2020: Rs. 25.449) million brokerage income earned from institutional clients, Rs. 55.639 (30 September 2020: Rs. 43.232) million brokerage income earned from retail clients and Rs. "Nil" (30 September 2018: Rs. "Nil") brokerage income earned on proprietary trades.

19. OPERATING EXPENSES

----- (Rupees) -----

Salaries, wages and other benefits		18,639,019	15,444,207
Consultancy fee	19.1	2,630,830	-
Commission and referral fee	19.2	15,800,758	16,903,555
Service and transaction charges		3,945,831	4,120,663
Fees and subscription		3,797,243	2,173,816
		44,813,681	38,642,241

19.1 This includes consultancy fee to the directors of the Company amounting to Rs. 0.637 (30 September 2020: Rs. "Nil") million.

19.2 This includes commission to the directors of the Company amounting to Rs. 7.287 (30 September 2020: Rs. 8.350) million.

20. ADMINISTRATIVE EXPENSES

----- (Rupees) -----

Salaries, wages and other benefits		14,061,014	11,650,893
Telephone and communication charges		2,695,596	935,573
Rent expense		102,778	-
Utility charges		1,117,400	497,991
Vehicle running expenses		911,161	648,262
Depreciation on right of use assets		1,621,697	1,621,697
Depreciation		5,032,481	3,365,536
Amortisation		-	17,917
Legal and professional charges		315,000	564,500
Auditor's remuneration		300,000	-
Insurance		487,399	466,209
Printing, stationery and postage charges		482,620	179,363
Office supplies		346,553	127,145
Office repair and maintenance		686,651	521,074
Fees and subscription		777,749	445,239
Travelling and entertainment charges		486,931	107,653
Generator Fuel		27,852	167,244
Advertisement expenses		924,804	57,200
Security expense		794,595	525,629
Miscellaneous expenses		1,794,187	347,926
		32,966,468	22,247,051

21. Financial charges

----- (Rupees) -----

Bank charges		112,789	191,534
Interest on lease liabilities		1,319,018	1,574,838
Mark up expense		3,914,864	4,056,950
Interest on commercial paper		1,244,240	-
		6,590,911	5,823,322

22. OTHER INCOME

----- (Rupees) -----

Mark-up / interest on:			
- Bank balances (under mark-up arrangements)		5,418,899	3,361,153
- Investment in Marginal Financing System		5,138,481	86,256
- Investment in Marginal Trading System		-	-
- Return on Government securities		-	-
- Exposure margin		2,409,790	1,522,505
		12,967,170	4,969,914

23. CURRENT STATUS OF TAX ASSESSMENTS

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

24. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended	
	30 September 2021	30 September 2020
Profit / (loss) for the period	<u>(25,266,381)</u>	<u>16,857,902</u>
Weighted average number of ordinary shares in issue during the period	<u>49,500,000</u>	<u>49,500,000</u>
Earnings per share basic & diluted	<u>(0.56)</u>	<u>0.34</u>

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

25.1 Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees)					
Managerial remuneration	3,000,000	5,407,500	-	-	11,638,667	6,296,167
House rent allowance	1,200,000	1,200,000	-	-	4,655,467	2,518,467
Medical	300,000	300,000	-	-	1,163,867	629,617
Commission	-	-	7,287,257	8,350,374	4,463,168	2,251,455
Consultancy fee	-	-	-	-	-	-
Directors' fees	-	-	-	-	-	-
	<u>4,500,000</u>	<u>6,907,500</u>	<u>7,287,257</u>	<u>8,350,374</u>	<u>21,921,169</u>	<u>11,695,706</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>20</u>	<u>12</u>

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

25.3 Remuneration to non-executive directors

Commission and consultancy fees includes amounts paid to non-executive directors of the Company, amounting Rs. 7.287 million (30 September 2020: Rs. 8.350 million).

26. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

27. Date of authorisation for issue

These financial statements have been authorised for issue on **22 October 2021** by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



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