



QUARTERLY REPORT
SEPTEMBER 2017

CONTENTS

1. COMPANY INFORMATION	3
2. DIRECTOR'S REPORT	4
3. CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017.	5
4. CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.	6
5. CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.	7
6. CONDENSED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.....	8
7. STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.	9
8. NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.	10

1. COMPANY INFORMATION

Board of Directors	Lt. Gen. Tariq Waseem Ghazi (Retd.) Mr. Muhammad Najam Ali Mr. Umer Habib Mr. Hasan Shahnawaz Mrs. Hanna Khan Mr. Zulqarnain Mahmood Khan Mr. Muhammad Zubair Ellahi	Non-Executive Director, Chairman Executive Director, Chief Executive Officer Executive Director, Head of Investment Banking Non-Executive Director, Independent Director Non-Executive Director Non-Executive Director Non-Executive Director
Audit Committee	Mr. Hasan Shahnawaz Mr. Zulqarnain Mahmood Khan Mr. Muhammad Zubair Ellahi Mr. Mohsin Ali	Member, Chairman Member Member Secretary
Human Resource & Remuneration Committee	Mr. Zulqarnain Mahmood Khan Mrs. Hanna Khan Mr. Umer Habib	Member, Chairman Member Member
CFO & Company Secretary	Mr. Om Perakash	
Head of Internal Audit	Mr. Mohsin Ali	
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi	
Bankers	Askari Bank Limited Bank Al Falah Limited Bank of Punjab Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited Habib Bank Limited Sindh Bank Limited	
Tax Advisors	Junaidy, Shoaib, Asad & Co. Chartered Accountants 1/6-P, Block 6, PECHS, Mohtarma Laeeq Begum Road Off Shahra-e-Faisal, Near Nursery Flyover Karachi	
Legal Advisors	Mohsin Tayebaly & Co. Barristers & Advocates 2 nd Floor Dime Centre, BC-4 Block 9 KDA Scheme 5, Clifton, Karachi.	
Share Registrar	Technology Trade (Pvt.) Ltd 241-C, Block-2, PECHS, Karachi	
Registered Office	8 th Floor Horizon Tower, Plot No. 2/6 Block III, Clifton, Karachi	

2. DIRECTORS' REPORT

Economic Review:

GDP growth continues to accelerate as the government ramps up development spending and large scale energy and infrastructure projects progress in full swing. The investment cycle is picking up as public sector is adding capacities to remove energy and infrastructure bottlenecks whereas private sector is adding capacities to cater to growing domestic demand, helped by a combination of higher development spending, healthy pick up in private sector credit, improved energy supplies and better security conditions. Based on these factors, the government expects to achieve GDP growth of 6.0% in FY18.

However, external account appears to be bearing the brunt of rising domestic demand with current account deficit widening to USD 3.6 billion in 1QFY18 from USD 1.6 billion in the corresponding period last year. The government has recently imposed regulatory duties on non-essential items to curb luxury imports and ease pressures on the external front. The government has also announced a revised package to boost exports while at the same time accelerated the process of subsidy/rebate claims, which can be seen reflecting in 12% Y/Y growth in exports.

On a positive note, the government has managed to curtail fiscal deficit from 1.3% of GDP in 1QFY17 to 0.9% of GDP in 1QFY18 according to news reports while maintaining a strong momentum in development spending. Inflation has also remained under control with 1QFY18 number averaging 3.4%, well below the target of 6.0%. Going forward, growth prospects remain upbeat with both consumption and investment leading the show. Nonetheless, structural reforms are needed to achieve inclusive growth.

Capital Market Review:

KSE-100 index lost around 8.9% during the quarter, making it the worst performing quarter since 2QFY09, as macros remained clouded with economic and political uncertainties. Currency stability remains the biggest concern of domestic and foreign investors as sectors with currency hedged profitability, such as oil and gas exploration and production, emerged as outperformers during the period whereas, sectors bearing inverse relationship, such as pharmaceuticals, turned out to be underperformers. Fertilizers and Cements remained under the pressure of their sector specific demand supply imbalances. Going forward, market participants are likely to start weighing fundamentals and cheap valuations as political dust settles down and macroeconomic concerns recede.

Performance Overview:

The following table depicts the Company's performance in the current period:

	2017-2018	2016-2017
	PAK RUPEES	
Accumulated Loss as at July 01	65,051,403	(37,909,638)
(Loss)/profit after tax for the three months period	(32,865,560)	10,856,507
Accumulated profits / (losses) September 30	32,185,843	(27,053,131)
(Loss)/profit Per Share- Rupees	(0.73)	0.34

It was a challenging quarter as the investor sentiment changed drastically. The erosion in equity values and much reduced trading volumes affected the brokerage income which decreased by 18%. However, advisory income showed healthy increase despite the fact that some planned IPO's had to be delayed due to market conditions. This quarter loss is mainly attributable to mark to market loss on The Bank of Punjab shares which were acquired due to underwriting agreement where we acted as an underwriter. We are confident that the Bank of Punjab is a sound institution with good earnings potential and its price is expected to recover.

Going forward, the company aims to continue to concentrate on its growth strategy. Although, a subdued outlook for equity market could not be ruled out in the immediate term given macroeconomic headwinds, long term prospects for local equities remain robust. Moreover, investment banking would also remain a key area of focus for the company. Next Capital is certainly well positioned to capture the pickup in business, given its strong presence in the institutional and retail segment.

For and on behalf of the Board of Directors

Date: October 31, 2017



Gen. Tariq Waseem Ghazi (Retd.)
Chairman

3. CONDENSED INTERIM BALANCE SHEET, AS AT SEPTEMBER 30, 2017

		(Unaudited) 30 September 2017	(Audited) 30 June 2017
	Note	------(Rupees)-----	
ASSETS			
Non-current assets			
Property and equipment	6	14,996,427	16,365,032
Intangible assets		7,169,523	7,356,911
Investment in shares of Karachi Stock Exchange Limited		36,531,307	41,163,842
Long term deposits		4,059,200	24,670,029
Deferred tax asset		1,184,479	1,184,479
		<u>63,940,936</u>	<u>90,740,293</u>
Current assets			
Short term investment	7	155,501,964	15,408,000
Investment in marginal financing	8	33,539,888	4,274,411
Trade debts - considered good	9	145,900,008	428,809,018
Advances, deposits, prepayments and other receivables	10	143,191,356	284,229,300
Income tax refundable		49,661,734	50,792,894
Cash and bank balances	11	215,614,720	269,670,057
		<u>743,409,670</u>	<u>1,053,183,680</u>
Total assets		<u>807,350,606</u>	<u>1,143,923,973</u>
EQUITY AND LIABILITIES			
Share capital and reserve			
Authorised capital			
50,000,000 (30 June 2017: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital		450,000,000	450,000,000
Discount on issue of shares		(50,000,000)	(50,000,000)
Unappropriated profits		32,185,843	65,051,403
Unrealised gain on remeasurement of investments		<u>20,501,768</u>	<u>25,134,303</u>
		452,687,611	490,185,706
Non-current liabilities			
Current liabilities			
Short term loan - unsecured	12	108,704,986	107,260,727
Current portion of liabilities against assets subject to finance lease		48,090	48,090
Trade and other payables	13	245,909,919	546,429,450
		<u>354,662,995</u>	<u>653,738,267</u>
Total equity and liabilities		<u>807,350,606</u>	<u>1,143,923,973</u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes 1 to 22 form an integral part of these condensed financial information



Chief Executive



Director



Chief Financial Officer

**4. CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE THREE MONTHS PERIOD
ENDED SEPTEMBER 30, 2017**

		(Unaudited)	
		For the quarter ended 30 September 2017	For the quarter ended 30 September 2016
		<i>------(Rupees)-----</i>	
Operating revenue	15	79,435,289	57,847,394
Capital (loss)/gain on sale of investments classified as 'at fair value through profit or loss'		150,662	(93,275)
Unrealised loss in the value of investments classified as 'at fair value through profit or loss'		(31,818,720)	-
Operating expenses	16	(51,112,460)	(24,801,868)
Administrative expenses	17	(21,309,627)	(18,832,018)
Financial charges	18	(4,805,444)	(6,909,517)
		(29,460,300)	7,210,717
Other income	19	6,710,146	4,992,798
Net profit before taxation		(22,750,154)	12,203,515
Taxation	20	(10,115,406)	(1,347,008)
Net (loss)/profit for the quarter		(32,865,560)	10,856,507
			- Restated -
(Loss)/profit per share - basic and diluted		(0.73)	0.34

The annexed notes 1 to 22 form an integral part of these condensed financial information



Chief Executive



Director



Chief Financial Officer

5. CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	(Unaudited)	
	For the quarter ended 30 September 2017	For the quarter ended 30 September 2016
	------(Rupees)-----	
Net (loss)/profit for the quarter	(32,865,560)	10,856,507
Other comprehensive income for the year		
<i>Items that may or may not be reclassified to profit and loss account</i>		
Unrealised gain on re-measurement of available for sale investments	(4,632,535)	-
Total comprehensive income for the quarter	<u>(37,498,095)</u>	<u>10,856,507</u>

The annexed notes 1 to 22 form an integral part of these condensed financial information



Chief Executive



Director



Chief Financial Officer

**6. CONDENSED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD
ENDED SEPTEMBER 30, 2017**

	(Unaudited)	
	For the quarter ended 30 September 2017	For the quarter ended 30 September 2016
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(22,750,154)	12,203,515
Adjustments for:		
- Depreciation	1,606,606	1,005,342
- Amortisation	187,388	55,185
- Provision for Debtors written off	1,000,000	
- Capital gain/ (loss) on sale of investments	(150,662)	93,275
- Unrealised diminution /(appreciation) in the value of investments classified 'at fair value through profit or loss'	31,818,720	-
- Return on bank and exposure deposits	(6,710,146)	(4,992,798)
- Financial charges	4,805,444	6,909,517
	32,557,350	3,070,521
Cash generated from operating activities before working capital changes	9,807,196	15,274,036
Decrease / (increase) in current assets		
Trade debts	282,909,010	37,384,419
Advances, deposits, prepayments and other receivables	161,648,773	(31,847,664)
	444,557,784	5,536,756
Increase / (decrease) in current liabilities		
Trade and other payables	(299,058,018)	95,346,009
Cash generated from/(used in) operations	155,306,962	116,156,801
Financial charges paid	(4,805,444)	(4,672,332)
Taxes paid	(11,596,422)	(6,508,126)
Net cash generated from/(used in) operating activities	138,905,096	104,976,343
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(238,001)	(226,100)
Short term investment	(171,762,022)	-
Investment in marginal financing	(29,265,477)	(104,333,383)
Mark up received	6,860,808	4,899,523
Net cash used in investing activities	(194,404,692)	(99,659,960)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan - unsecured	1,444,259	64,034,646
Long term loan	-	41,974,866
Net cash generated from financing activities	1,444,259	106,009,512
Net increase in cash and cash equivalents	(54,055,337)	111,325,895
Cash and cash equivalents at beginning of the quarter	269,670,057	339,385,362
Cash and cash equivalents at end of the quarter	215,614,720	450,711,257

The annexed notes 1 to 22 form an integral part of these condensed financial information



Chief Executive



Director

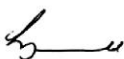


Chief Financial Officer

**7. STATEMENT OF CHANGES IN EQUITY FOR THE
THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017.**

	Issued, subscribed and paid-up capital	Discount on issue of shares	Unappropriated profit / Accumulated losses (Rupees)	Unrealised gain on remeasurement of investments	Total
Balance as at 30 June 2016	200,000,000	-	(37,909,634)	-	162,090,362
Issue of 25,000,000 shares of Rs.10 each at 20% discount	250,000,000	(50,000,000)	-	-	200,000,000
Unrealised gain on re-measurement of investment	-	-	-	25,134,303	25,134,303
Total comprehensive income for the year ended 30 June 2017	-	-	102,961,037	-	102,961,037
Balance as at 30 June 2017	450,000,000	(50,000,000)	65,051,403	25,134,303	490,185,702
Total comprehensive income for the quarter ended 30 September 2017	-	-	(32,865,560)	(4,632,535)	(37,498,095)
Balance as at 30 September 2017	450,000,000	(50,000,000)	32,185,843	20,501,768	452,687,607

The annexed notes 1 to 22 form an integral part of these condensed financial information



Chief Executive



Director



Chief Financial Officer

8. NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

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 Companies Ordinance, 1984. The Company has obtained corporate membership from Karachi 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 Karachi Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited. The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments and consultancy 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 8th floor, Horizon Tower, Block III Clifton, Karachi.

2. BASIS OF PREPARATION

- 2.1** This Condensed interim financial information of the Company for the three months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the provisions of and directives issued under Companies Companies Act 2017. In case where requirements differ, the provisions of or 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 2017.
- 2.3** This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Act, 2017 and the listing regulation of Pakistan Stock Exchange Limited.
- 2.4** This condensed interim financial information is presented in Pakistani Rupees which is the Company's functional currency.
- 2.5** The comparative balance sheet presented in this condensed interim financial information as at 30 September 2017 has been extracted from the audited financial statements of the Company for the year ended 30 June 2017, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and the condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the three months period ended 30 September 2016.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 Accounting policies

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 2017.

- 3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the company's operations and did not have any impact on the accounting policies of the company except where changes affected presentations and disclosure in the condensed interim financial information

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, 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 judgements 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 2017.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2017.

6. PROPERTY AND EQUIPMENT

	(Unaudited) 30 September 2017	(Audited) 30 June 2017
	----- (Rupees) -----	
Opening written down value	16,365,032	14,189,837
Additions during the period / year - at cost		
- Lease hold improvement	-	142,000
- Furniture's and fixtures	-	931,045
- Vehicle (owned)	-	2,667,500
- Computers and related accessories	238,001	3,641,985
	238,001	7,382,530
Depreciation for the period / year	(1,606,606)	(5,207,335)
	(1,606,606)	(5,207,335)
Closing written down value	14,996,427	16,365,032

7. SHORT TERM INVESTMENT

	Note	30 September 2017	30 June 2017
		----- (Rupees) -----	
Listed shares	7.1 & 7.2	155,501,964	15,408,000

7.1 Listed shares

30 Sep 2017	30 June 2017	Name of investee	30 September 2017	30 June 2017
(Number of shares)			Market value	Carrying value / cost
			----- (Rupees) -----	----- (Rupees) -----
600,000	600,000	Pakistan Stock Exchange Limited	13,674,000	15,408,000
14,326,057	-	The Bank of Punjab	141,827,964	171,912,684
		Unrealised loss on re- measurement of investment classified as fair value through profit and loss account	(31,818,720)	(1,542,000)
			155,501,964	15,408,000

- 7.2 The Bank of Punjab (BOP) Shares were acquired as an underwriter for the right issue of the BOP shares. Company as a underwriter subscribed the unsubscribe portion of shares as per agreement.

8. INVESTMENT IN MARGINAL FINANCING

This amount is given as a Marginal Financing System (MFS) to our clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house account under pledged status. Company is financing on Financing Participation Ratio (FPR) of 75% and charges markup at the rate of KIBOR+5%.

	Note	(Unaudited) 30 September 2017	(Audited) 30 June 2017
9. TRADE DEBTS - considered good			
<i>Receivable from clients on account of:</i>			
- Purchase of shares on behalf of clients	9.1	93,884,177	379,923,978
- Brokerage commission			
- Equity Shares		10,476,641	15,237,971
- Money market and forex		3,809,676	2,279,771
- Consultancy fee		37,729,514	31,367,298
		<u>145,900,008</u>	<u>428,809,018</u>

9.1 This includes trade debts of Rs. 0.026 million (30 June 2016: Rs. 0.330 million) receivable from related parties.

9.2 Aging analysis

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

		Amount (Rupees)	Custody value (Rupees)
Upto five days	9.3	78,933,286	154,764,346
More than five days	9.3	25,427,533	649,599,866
		<u>104,360,818</u>	<u>804,364,212</u>

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

10. Advances, deposits, prepayments and other receivables

This includes Rs. 122.772 millions (30 June 2017: 267.124 millions) Deposits with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future market, ready market and marginal trading services.

	Note	(Unaudited) 30 September 2017	(Audited) 30 June 2017
11. CASH AND BANK BALANCES			
Balances with banks:			
Saving accounts - profit and loss account	11.1	170,606,672	200,696,032
Current accounts - Conventional		44,907,579	68,873,156
Current accounts - Shariah compliant		74,732	74,732
		<u>215,588,983</u>	<u>269,643,920</u>
Cash In Hand		25,737	26,137
		<u>215,614,720</u>	<u>269,670,057</u>

11.1 This includes Rs. 166.624 million (30 June 2017 : Rs. 194.903 million) kept in designated bank accounts maintained on behalf of clients.

12. SHORT TERM LOAN - unsecured

Movement in short term loan

Loan at beginning of the year	107,260,727	35,377,459
Additions during the year	316,565,333	861,189,084
Repayments of the loan during the year	(315,121,074)	(789,305,816)
Balance at end of the year	<u>108,704,986</u>	<u>107,260,727</u>

12.1 This includes loans obtained from related parties amounting to Rs. 261.341 (30 June 2017: 764.552 million) out of which Rs. 265.816 million (30 June 2017: 750.740 million) was repaid during the period and Rs. 41.944 million (30 June 2016: Rs. 47.185 million) is outstanding at period end. These loans carry mark-up rate 11.26% to 11.28% (30 June 2017: 11.20% to 11.28%) per annum.

	Note	(Unaudited) 30 September 2017	(Audited) 30 June 2017
13. TRADE AND OTHER PAYABLES			
		------(Rupees)-----	
Trade creditors	13.1 & 13.2	158,402,025	199,054,122
Payable to National Clearing Company of Pakistan Limited		55,413,104	237,848,781
Accrued commission to traders	13.3	3,990,761	7,112,339
Accrued salaries and other expenses		6,500,132	4,714,430
Auditor's remuneration		985,000	785,000
Tax deducted at source		8,171,553	10,114,940
Provision for sales tax		2,560,063	2,560,063
Provision for worker's welfare fund		1,522,779	1,522,779
Commission payable	13.4	7,449,944	82,310,810
Mark-up payable		481,874	-
Other payables		432,684	406,186
		245,909,919	546,429,450
13.1 This includes trade payables of Rs. 11,427 million (30 June 2017: Rs. 26,124 million) payable to related parties.			
13.2 As per settlement date; trade payables are Rs. 160,907 and as per trade date; trade payables are Rs. 158,402 million difference is due to two days trading with T+2 settlement.			
13.3 This includes commission payable of Rs. 2,743 million (30 June 2017: Rs. 4,062 million) to related parties.			
13.4 This represents commission payable to a foreign brokerage house.			
14. CONTINGENCIES AND COMMITMENTS			
14.1 For sale of quoted securities under future contracts against counter commitments Rs. 194,583,220 (June 2017: Rs. 4,223,000).			
14.2 For buy of quoted securities under future contracts against counter commitments Rs. 186,777,155 (June 2017: Rs. 55,547,935).			
15. OPERATING REVENUE			
		------(Rupees)-----	
		30 September 2017	30 September 2016
Brokerage income	15.1	45,582,747	55,638,860
Advisory / consultancy fee		33,852,542	2,208,534
		79,435,289	57,847,394
15.1 This includes brokerage earned from related parties amounting to Rs. 2,955 million (30 September 2016: Rs. 1,763 million).			
15.2 This includes Rs. 20,975 million brokerage income earned from institutional clients, Rs. 24,608 million brokerage income earned from retail clients and Rs. Nil brokerage income earned on proprietary trades.			
16. OPERATING EXPENSES			
Salaries, wages and other benefits		11,959,833	11,936,430
Commission and referral fee	16.1	9,951,864	8,293,844
Consultancy fee	16.2	10,370,222	840,000
Sub-Underwriting Commission		13,297,982	-
Service and transaction charges		3,884,709	2,801,730
Fees and subscription		1,647,850	929,864
		51,112,460	24,801,868
16.1 This includes commission to the Directors of the Company amounting to Rs. 7,329 million (30 September 2016: Rs. 6,415 million).			
16.2 This includes consultancy fee to the Directors of the Company amounting to Rs. 3,572 million (30 September 2016: Rs. .75 million).			
17. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	17.1	9,072,955	9,766,170
Telephone and communication charges		1,133,573	1,078,965
Rent expense		2,583,060	1,957,600
Utility charges		642,957	638,300
Vehicle running expenses		486,893	477,101
Depreciation		1,606,606	1,005,342
Amortisation of intangible		187,388	55,185
Legal and professional charges		157,500	35,000
Auditor's remuneration		300,000	235,083
Insurance		464,581	236,350
Printing, stationery and postage charges		259,637	187,308
Office supplies		233,042	127,568
Office repair and maintenance		689,572	423,064
Fees and subscription		678,826	-
Travelling and entertainment charges		850,113	687,129
Provision for trade debtors		1,000,000	865,988
Advertisement expenses		85,000	-
Security expense		537,001	620,920
Miscellaneous expenses		340,923	434,945
		21,309,627	18,832,018

17.1 This includes remuneration to Chief Executive Officer amounting to Rs. 2.25 million (30 September 2016: Rs. 2.25 million).

18. FINANCIAL CHARGES

Bank charges		760,008	218,188
Mark up expense	18.1	4,045,436	6,691,329
		<u>4,805,444</u>	<u>6,909,517</u>

18.1 This includes Rs. 1.584 million (30 September 2016: Rs. 4.242 million) paid to related parties.

19. OTHER INCOME

Bank balances (under mark-up arrangements)	3,598,968	2,638,644
Income Under Margin Financing System	534,176	1,619,669
Profit on cash margin	2,537,491	734,485
Miscellaneous income	39,511	-
	<u>6,710,146</u>	<u>4,992,798</u>

20. TAXATION

Company has computed tax in accordance with section 153 of Income Tax Ordinance, 2001. And some income is fall under FTR under section 233 and section 233A, which is also charged to profit and loss account.

21. GENERAL

The Company with the approval of shareholders by way of special resolution in general meeting held on 13 September 2011 has entered into a Stock Option Agreement dated 7th October, 2011 with the Chief Executive (CEO), whereby the CEO has been granted Options to subscribe for the ordinary shares of the Company. Issuance of shares by the Company against exercise of the Options is, however, subject to the approval of the Securities & Exchange Commission of Pakistan (the Commission) under section 86 of Companies Ordinance, 1984. The number of share options granted are up to 2 million shares with consideration in cash having an exercise price of Rs. 10 per share. The exercise period is five years and six months after one year from the date of listing of the Company. However, the option is yet to be approved by the Securities and Exchange Commission of Pakistan (SECP).

SECP vide order no. CSD/CI/8/2017-928 dated 19th May 2017 ("Impunged Order") had disregarded the application for approval. The Company has filed an appeal dated 16th June, 2017 against the order under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997.

During the period, the Appellate Bench of SECP vide letter no. 48(33)/B-IV/CSD/17 dated 26th September 2017 has passed an Order whereby the Impunged Order has been set aside and the appeal of the Company has been allowed.

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2017.

22. 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 October 31, 2017.



Chief Executive



Director



Chief Financial Officer

Pattern of shareholding

Categories of Shareholders	Number of shares held as on 1 July, 2017	% of shares	Number of shares purchased / Right shares issued during the period	Number of shares sold during the period	Number of shares held as on 30 September, 2017	% of shares
Companies						
- MCB Bank Limited - Treasury	4,360,500	9.69%	-	-	4,360,500	9.69%
- Maple Leaf Cement Factory Limited	3,375,000	7.50%	-	-	3,375,000	7.50%
- Abbas Corporation (Pvt) Limited	500,000	1.11%	-	-	500,000	1.11%
Individuals						
- Mr. Muhammad Najam Ali	12,368,250	27.49%	-	-	12,368,250	27.49%
- Mr. Arif Habib	2,900,000	6.44%	-	(5,000)	2,895,000	6.43%
- Mr. Srosh Tahir	3,575,000	7.94%	-	-	3,575,000	7.94%
- Mr. Adnan Afridi	4,500,000	10.00%	-	-	4,500,000	10.00%
- Other Individuals	13,421,250	29.83%	-	5,000	13,426,250	29.84%
	45,000,000	100.00%			45,000,000	100.00%



Head Office:

8th Floor Horizon Tower, Plot No. 2/6
Block III, Clifton, Karachi,
Pakistan.

UAN: 92-21-111-639-825
Fax: 92-21-35292621

Karachi Branch Office:

93-95, 2/F, Stock Exchange Building
off, I.I. Chundrigar Road, Karachi.

Ph: 021-32468856-66,
Fax: 021-32468867

Lahore Branch Office:

House # 43-A/S, Zafar Ali Road,
Aziz Avenue Gulberg-5, Lahore

Ph: 92-42-35791281-88,
Fax: 92-42-35791289

DHA Lahore Branch Office:

Plaza # 67 - CCA, Block - DD
Phase - IV, DHA,
Lahore Cantt.

Ph: 92-42-35694113