

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

|   | Note | Rupees<br>Dec-21   | Rupees<br>Jun-21   |
|---|------|--------------------|--------------------|
| <b>ASSETS</b>   |      |                    |                    |
| <b>NON-CURRENT ASSETS</b>   |      |                    |                    |
| Property & equipment  | 4    | 3,413,442          | 3,987,053          |
| Intangible assets   | 5    | 2,500,000          | 2,500,000          |
| Long term advances & deposits                                       | 6    | 6,506,000          | 5,706,000          |
|   |      | 12,419,442         | 12,193,053         |
| <b>CURRENT ASSETS</b>   |      |                    |                    |
| Trade receivables   | 7    | 24,109,014         | 16,238,295         |
| Short term investment   | 8    | 22,040,604         | 35,761,881         |
| Advances, deposits & other receivables                              | 9    | 43,978,675         | 56,734,652         |
| Cash & bank balances  | 10   | 12,906,698         | 25,946,601         |
|   |      | 103,034,991        | 134,681,430        |
| <b>TOTAL ASSETS</b>   |      | <b>115,454,433</b> | <b>146,874,483</b> |
| <b>EQUITY AND LIABILITIES</b>                                       |      |                    |                    |
| <b>CAPITAL AND RESERVES</b>   |      |                    |                    |
| <b>Authorized Capital</b>   |      |                    |                    |
| 30,000,000 (June 2021: 30,000,000) ordinary shares of Rs. 10/- each |      | 300,000,000        | 300,000,000        |
| Issued, subscribed and paid-up capital                              | 11   | 200,004,000        | 200,004,000        |
| Reserves  |      | (93,238,842)       | (83,441,302)       |
|   |      | 106,765,158        | 116,562,698        |
| <b>LIABILITIES</b>  |      |                    |                    |
| <b>CURRENT LIABILITIES</b>  |      |                    |                    |
| Trade payables  |      | 8,075,387          | 19,987,826         |
| Accrued expenses & other liabilities                                | 12   | 613,888            | 10,323,959         |
|   |      | 8,689,275          | 30,311,785         |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                | 13   | -                  | -                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 |      | <b>115,454,433</b> | <b>146,874,483</b> |

Chief Executive

Director

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

| Note   | Rupees<br>Dec-21   | Rupees<br>Jun-21   |
|--|--------------------|--------------------|
| <b>REVENUE</b>   |                    |                    |
| Operating revenue  | 14 8,771,792       | 16,433,603         |
| Capital gain on sale of securities   | -                  | 129,117            |
| Unrealised (loss) / gain on remeasurement of investment at fair value - through profit or loss | (4,101,327)        | 6,475,031          |
|  | 4,670,465          | 23,037,751         |
| Administrative expenses  | 15 (7,016,136)     | (27,284,018)       |
| Finance cost   | 16 (5,650)         | (15,042)           |
|  | (7,021,786)        | (27,299,060)       |
| <b>Operating loss</b>  | <u>(2,351,320)</u> | <u>(4,261,309)</u> |
| <b>Other income</b>  | 17 1,808,801       | 5,923,217          |
| <b>(Loss) / Profit before taxation</b>   | (542,519)          | 1,661,908          |
| <b>Taxation</b>  | 18 -               | (1,809,298)        |
| <b>Loss after taxation</b>   | <u>(542,519)</u>   | <u>(147,390)</u>   |
| <b>(Loss) per share - basic and diluted</b>  | 19 <u>(0.03)</u>   | <u>(0.01)</u>      |

Chief Executive

Director

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|  | <i>Reserves</i>                         |                        |   |                     |                    |
|--|---|------------------------|---|---------------------|--------------------|
|  | Issued, subscribed &<br>paid up capital | Unappropriated<br>loss | Unrealised gain / (loss) on<br>remeasurement of investment<br>at fair value-through other<br>comprehensive income | Sub Total           | Total              |
|  | <i>Rupees</i>                           | <i>Rupees</i>          | <i>Rupees</i>   | <i>Rupees</i>       | <i>Rupees</i>      |
| <b>Balance as at June 30, 2020</b>   | <b>200,004,000</b>                      | <b>(96,603,411)</b>    | <b>(108,119)</b>  | <b>(96,711,529)</b> | <b>103,292,471</b> |
| Loss for the year  | -                                       | (147,390)              | -   | (147,390)           | <b>(147,390)</b>   |
| Gain on remeasurement of investment at<br>fair value - through other comprehensive<br>income | -                                       | -                      | 13,417,617  | 13,417,617          | <b>13,417,617</b>  |
| <b>Balance as at June 30, 2021</b>   | <b>200,004,000</b>                      | <b>(96,750,801)</b>    | <b>13,309,498</b>   | <b>(83,441,302)</b> | <b>116,562,698</b> |
| Loss for the year  |   | (542,519)              |   | (542,519)           | <b>(542,519)</b>   |
| Loss on remeasurement of investment at<br>fair value - through other comprehensive<br>income |   |                        | (9,255,021)   | (9,255,021)         | <b>(9,255,021)</b> |
| <b>Balance as at December 31, 2021</b>   | <b>200,004,000</b>                      | <b>(97,293,320)</b>    | <b>4,054,477</b>  | <b>(93,238,842)</b> | <b>106,765,158</b> |

Chief Executive

Director

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

**4 PROPERTY AND EQUIPMENT**

|  | <b>Office equipments</b> | <b>Computer equipments</b> | <b>Furniture &amp; fixtures</b> | <b>Total</b>       |
|--|--------------------------|----------------------------|---------------------------------|--------------------|
|  | <i>(Rupees)</i>          | <i>(Rupees)</i>            | <i>(Rupees)</i>                 | <i>(Rupees)</i>    |
| <b><u>Net carrying value basis</u></b>   |                          |                            |                                 |                    |
| <b>Year ended December 31, 2021</b>      |                          |                            |                                 |                    |
| Opening net book value (NBV)             | 304,392                  | 74,021                     | 3,608,639                       | <b>3,987,053</b>   |
| Additions (at cost)                      | 27,000                   | 18,000                     | -                               | <b>45,000</b>      |
| Disposals (at NBV)                       | -                        | -                          | -                               | <b>-</b>           |
| Depreciation charge                      | (49,709)                 | (27,606)                   | (541,296)                       | <b>(618,611)</b>   |
| Closing net book value (NBV)             | <b>281,683</b>           | <b>64,415</b>              | <b>3,067,343</b>                | <b>3,413,442</b>   |
| <b><u>Gross carrying value basis</u></b> |                          |                            |                                 |                    |
| <b>As at December 31, 2021</b>           |                          |                            |                                 |                    |
| Cost                                     | 1,145,315                | 1,167,306                  | 6,432,375                       | <b>8,744,997</b>   |
| Accumulated depreciation                 | (863,632)                | (1,102,891)                | (3,365,032)                     | <b>(5,331,555)</b> |
| Net book value (NBV)                     | <b>281,683</b>           | <b>64,415</b>              | <b>3,067,343</b>                | <b>3,413,442</b>   |
| <b><u>Net carrying value basis</u></b>   |                          |                            |                                 |                    |
| <b>Year ended June 30, 2021</b>          |                          |                            |                                 |                    |
| Opening net book value (NBV)             | 352,608                  | 58,745                     | 1,124,957                       | <b>1,536,311</b>   |
| Additions (at cost)                      | 5,500                    | 47,000                     | 3,120,500                       | <b>3,173,000</b>   |
| Disposals (at NBV)                       | -                        | -                          | -                               | <b>-</b>           |
| Depreciation charge                      | (53,716)                 | (31,723)                   | (636,819)                       | <b>(722,258)</b>   |
| Closing net book value (NBV)             | <b>304,392</b>           | <b>74,021</b>              | <b>3,608,639</b>                | <b>3,987,053</b>   |
| <b><u>Gross carrying value basis</u></b> |                          |                            |                                 |                    |
| <b>As at June 30, 2021</b>               |                          |                            |                                 |                    |
| Cost                                     | 1,118,315                | 1,149,306                  | 6,432,375                       | <b>8,699,997</b>   |
| Accumulated depreciation                 | (813,923)                | (1,075,285)                | (2,823,736)                     | <b>(4,712,944)</b> |
| Net book value (NBV)                     | <b>304,392</b>           | <b>74,021</b>              | <b>3,608,639</b>                | <b>3,987,053</b>   |
| Depreciation rates (%)                   | <b>15</b>                | <b>30</b>                  | <b>15</b>                       |                    |

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

| Notes | Rupees<br>Dec 2021 | Rupees<br>June 2021 |
|-------|--------------------|---------------------|
|-------|--------------------|---------------------|

**5 INTANGIBLE ASSET**

|   |            |                         |  |                         |
|---|------------|-------------------------|--|-------------------------|
| Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited | <b>5.1</b> | <b><u>2,500,000</u></b> |  | <b><u>2,500,000</u></b> |
|---|------------|-------------------------|--|-------------------------|

**5.1** This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment losses.

**6 LONG TERM DEPOSITS**

|  |                         |  |                         |
|--|-------------------------|--|-------------------------|
| Pakistan Stock Exchange Limited                | 200,000                 |  | 300,000                 |
| National Clearing Company of Pakistan Limited  | 1,200,000               |  | 1,200,000               |
| Central Depository Company of Pakistan Limited | 100,000                 |  | 100,000                 |
| Other deposits                                 | 6,000                   |  | 6,000                   |
| Base minimum Capital                           | 5,000,000               |  | 4,100,000               |
|  | <b><u>6,506,000</u></b> |  | <b><u>5,706,000</u></b> |

**7 TRADE RECEIVABLES**

|                                    |            |  |                          |  |                          |
|------------------------------------|------------|--|--------------------------|--|--------------------------|
| Considered good                    |            |  | 31,060,407               |  | 35,300,243               |
| Considered doubtful                |            |  | -                        |  | -                        |
|                                    |            |  | <b>31,060,407</b>        |  | <b>35,300,243</b>        |
| Allowance for expected credit loss | <b>7.1</b> |  | <u>(20,760,595)</u>      |  | <u>(20,760,595)</u>      |
|                                    |            |  | <b>10,299,812</b>        |  | <b>14,539,648</b>        |
| From clearing house                |            |  | <b>13,809,202</b>        |  | <b>1,698,647</b>         |
|                                    |            |  | <b><u>24,109,014</u></b> |  | <b><u>16,238,295</u></b> |

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

| Notes | Rupees<br>Dec 2021 | Rupees<br>June 2021 |
|-------|--------------------|---------------------|
|-------|--------------------|---------------------|

**8 SHORT TERM INVESTMENT**

*Investments at fair values through profit & loss*

Shares of Pakistan Stock Exchange Limited  
Unrealised (loss) / gain on remeasurement of investment at fair value - through profit or loss

|                  |                   |
|------------------|-------------------|
| 11,275,513       | 5,165,412         |
| (4,101,327)      | 6,475,031         |
| <b>7,174,186</b> | <b>11,640,443</b> |

**Market value**

*Investments at fair values through other comprehensive income*

Shares of Pakistan Stock Exchange Limited  
Unrealised (loss) / gain on remeasurement of investment

|                   |                   |
|-------------------|-------------------|
| 24,121,438        | 10,703,821        |
| (9,255,021)       | 13,417,617        |
| <b>14,866,418</b> | <b>24,121,438</b> |

**Market value**

**GRAND TOTAL**

|                   |                   |
|-------------------|-------------------|
| <b>22,040,604</b> | <b>35,761,881</b> |
|-------------------|-------------------|

**9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES**

Exposure deposit  
Advance payment of tax  
Advance to staff  
Other receivables

**9.1**

|                   |                   |
|-------------------|-------------------|
| 39,550,000        | 52,840,000        |
| 4,140,345         | 3,946,675         |
| 205,000           | 283,330           |
| 83,330            | -                 |
| <b>43,978,675</b> | <b>57,070,005</b> |

**9.1** This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

**10 CASH AND BANK BALANCES**

Cash in hand  
Cash at Bank  
*in savings accounts*  
*in current accounts*

|                   |                   |
|-------------------|-------------------|
| 10,000            | 10,000            |
| -                 | -                 |
| 12,896,698        | 25,936,601        |
| <b>12,906,698</b> | <b>25,946,601</b> |

**11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Number of shares

| Dec-21            | Jun-21            |
|-------------------|-------------------|
| 11,000,400        | 11,000,400        |
| 9,000,000         | 9,000,000         |
| <b>20,000,400</b> | <b>20,000,400</b> |

|                    |                    |
|--------------------|--------------------|
| 110,004,000        | 110,004,000        |
| 90,000,000         | 90,000,000         |
| <b>200,004,000</b> | <b>200,004,000</b> |

**11.1** The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

| Notes | Rupees<br>Dec-21 | Rupees<br>Jun-21 |
|-------|------------------|------------------|
|-------|------------------|------------------|

**12 ACCRUED EXPENSES & OTHER LIABILITIES**

|                    |                |                   |
|--------------------|----------------|-------------------|
| Accrued expenses   | 7,047          | 6,777             |
| Other liabilities  | 510,617        | 1,681,632         |
| Payable to dealers | -              | 8,360,000         |
| SST payable        | 96,224         | 275,550           |
|                    | <b>613,888</b> | <b>10,323,959</b> |

**13 CONTINGENCIES AND COMMITMENTS**

**13.1** There are no contingencies and commitments as at December 31, 2021 (June 30, 2021: nil)

**14 OPERATING REVENUE**

|  |                  |                   |
|--|------------------|-------------------|
| Brokerage Commission including sales tax on services     | 8,771,792        | 18,438,349        |
| Less: Sales tax on services                              | -                | (2,004,746)       |
| Net brokerage commission excluding sales tax on services | <b>8,771,792</b> | <b>16,433,603</b> |
|  | <b>8,771,792</b> | <b>16,433,603</b> |

**15 ADMINISTRATIVE EXPENSES**

|                                     |                  |                   |
|-------------------------------------|------------------|-------------------|
| Directors' remuneration             | 600,000          | 2,400,000         |
| Salaries, wages and other benefits  | 995,242          | 3,044,600         |
| Rent, rates and taxes               | 180,000          | 559,784           |
| Repair and maintenance              | 196,509          | 689,480           |
| Telephone and communication charges | -                | 205,179           |
| Service and transaction charges     | 2,159,421        | 4,370,311         |
| Utility charges                     | 370,661          | 326,308           |
| Computer, software and I.T.expenses | 299,267          | 614,610           |
| Entertainment                       | 350,215          | 690,930           |
| Dealers' expenses & benefits        | -                | 9,921,247         |
| Fees and subscriptions              | 739,391          | 90,039            |
| Postage and courier                 | 3,050            | 2,660             |
| Printing and stationery             | 23,000           | 93,265            |
| Vehicle running and travelling      | 75,590           | 211,220           |
| Generator expenses                  | 11,654           | 41,663            |
| Auditors' remuneration              | -                | 290,000           |
| Allowance for expected credit loss  | -                | 2,599,419         |
| Depreciation                        | 618,611          | 722,258           |
| Other expenses                      | 393,525          | 411,045           |
|                                     | <b>7,016,136</b> | <b>27,284,018</b> |



**INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**

| Notes                            | Rupees<br>Dec-21 | Rupees<br>Jun-21 |
|----------------------------------|------------------|------------------|
| <b>16 <u>FINANCE COST</u></b>    |                  |                  |
| Bank charges                     | 5,650            | 15,042           |
|                                  | <u>5,650</u>     | <u>15,042</u>    |
| <b>17 <u>OTHER INCOME</u></b>    |                  |                  |
| <b>From financial assets</b>     |                  |                  |
| Profit on exposure deposit       | 1,253,321        | 1,712,324        |
| Profit on savings accounts       | 555,480          | 1,383,762        |
|                                  | <b>1,808,801</b> | <b>3,096,085</b> |
| <b>From non-financial assets</b> |                  |                  |
| Cost recoveries                  | -                | 2,827,132        |
| Reversal of expected credit loss | -                | -                |
|                                  | -                | <b>2,827,132</b> |
|                                  | <u>1,808,801</u> | <u>5,923,217</u> |