INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2024.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating revenue	13,840,953
Operating expenses	(19,711,977)
Other income	16,586,082
Operating profit	**10,715,058**
Finance cost	(17,792)
Loss before levies and income tax	**10,697,266**
Levy	(94,148)
Loss before income tax	**10,603,118**
Income Tax	(2,031,449)
Loss after income tax	**8,571,668**

Capital Market Review & Outlook

In Financial Year 2024, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY23. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity. Moreover, higher inflation and interest rates are likely to keep the equities market under pressure during next year.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated:

Director **Chief Executive**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	Rupees 2024	Rupees 2023
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	**4**	2,662,081	2,979,305
Intangible assets	**5**	2,500,000	2,500,000
Deferred taxation - net	**6**	3,204,702	3,730,838
Long term advances & deposits	**7**	7,016,000	7,016,000
		15,382,783	**16,226,143**
CURRENT ASSETS			
Trade receivables	**8**	23,627,805	21,277,235
Short term investment	**9**	20,533,828	11,861,852
Advances, deposits & other receivables	**10**	76,412,759	52,142,169
Cash & bank balances	**11**	36,398,734	3,524,977
		156,973,126	**88,806,234**
TOTAL ASSETS		**172,355,909**	**105,032,377**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
30,000,000 (2023: 30,000,000) ordinary shares of Rs. 10/- each		**300,000,000**	**300,000,000**
Issued, subscribed and paid-up capital	**12**	200,004,000	200,004,000
Reserves		(83,861,090)	(98,282,018)
		116,142,910	**101,721,982**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		31,271,627	937,473
Accrued expenses & other liabilities	**13**	24,941,372	2,372,922
		56,212,999	**3,310,395**
CONTINGENCIES AND COMMITMENTS	**14**	**-**	**-**
TOTAL EQUITY AND LIABILITIES		**172,355,909**	**105,032,377**

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive **Director**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	Rupees 2024	(Restated) Rupees 2023
REVENUE			
Operating revenue	**15**	11,018,236	7,054,702
Capital loss on disposal of securities		-	(159)
Unrealised gain / (loss) on remeasurement of investment at fair value - through profit or loss		2,822,716	(1,476,578)
		13,840,953	**5,577,965**
Administrative expenses	**16**	(19,711,977)	(16,206,990)
Other income	**17**	16,586,082	7,932,758
		(3,125,895)	**(8,274,231)**
Profit / (loss) from operations		**10,715,058**	**(2,696,267)**
Finance cost	**18**	(17,792)	(17,261)
Profit / (loss) before levies and income tax		**10,697,266**	**(2,713,527)**
Levies	**19**	(94,148)	(307,560)
Profit / (loss) before income tax		**10,603,118**	**(3,021,087)**
Income Tax	**20**	(2,031,449)	3,730,838
Profit after income tax		**8,571,668**	**709,751**

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive **Director**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	Rupees 2024	Rupees 2023
Profit after income tax		**8,571,668**	**709,751**
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to statement of profit or loss subsequently			
Unrealised gain / (loss) on remeasurement of investment - At fair value - through other comprehensive income		5,849,260	(3,059,779)
Total comprehensive income / (loss) for the year		**14,420,928**	**(2,350,029)**

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive **Director**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	Rupees 2024	Rupees 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before income tax		**10,603,118**	**(3,021,087)**
Add / (less) : Items not involved in movement of fund:			
Depreciation		480,824	541,539
Levies		94,148	307,560
Capital loss on disposal of securities		-	159
Unrealised (gain) / loss on remeasurement of investment at fair value		(2,822,716)	1,476,578
Reversal of allowance for expected credit loss		(985,258)	
Finance costs		17,792	17,261
		(3,215,210)	**2,343,097**
Cash generated from / (used in) operating activities before working capital changes		**7,387,908**	**(677,991)**
Net change in working capital	**(a)**	27,780,515	(8,664,678)
		35,168,423	**(9,342,669)**
Finance costs paid		(17,792)	(17,261)
Income tax and levies paid		(2,113,275)	(1,288,427)
Net cash generated from / (used in) operating activities		**33,037,356**	**(10,648,356)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(163,600)	(70,000)
Payment for purchase of securities of Pakistan Stock Exchange Limited		-	(159)
Net cash used in investing activities		**(163,600)**	**(70,159)**
Net decrease in cash and cash equivalents		**32,873,756**	**(10,718,516)**
Cash and cash equivalent at beginning of the year		3,524,977	14,243,494
Cash and cash equivalent at end of the year	**11**	**36,398,734**	**3,524,977**
(a) Statement of change in working capital			
(Increase) / decrease in current assets			
Trade receivables		(1,365,313)	4,684,340
Advances, deposits & other receivables		(23,756,777)	(2,365,873)
		(25,122,090)	**2,318,467**
Increase / (decrease) in current liabilities			
Trade payables		30,334,154	(8,223,277)
Accrued expenses & other liabilities		22,568,450	(2,759,868)
		52,902,604	**(10,983,145)**
Net change in working capital		**27,780,515**	**(8,664,678)**

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive **Director**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

		Reserves			
	Issued, subscribed & paid up capital	**Unappropriated loss**	**Unrealised gain on remeasurement of investment at fair value-through other comprehensive income**	**Sub Total**	**Total**
	Rupees	***Rupees***	***Rupees***	***Rupees***	***Rupees***
Balance as at June 30, 2022	**200,004,000**	**(96,180,664)**	**248,675**	**(95,931,989)**	**104,072,011**
				-	-
Profit for the year	-	709,751	-	**709,751**	**709,751**
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(3,059,779)	**(3,059,779)**	**(3,059,779)**
Balance as at June 30, 2023	**200,004,000**	**(95,470,913)**	**(2,811,104)**	**(98,282,018)**	**101,721,982**
Profit for the year	-	8,571,668	-	8,571,668	**8,571,668**
Gain on remeasurement of investment at fair value - through other comprehensive income	-	-	5,849,260	5,849,260	**5,849,260**
Balance as at June 30, 2024	**200,004,000**	**(86,899,245)**	**3,038,155**	**(83,861,090)**	**116,142,910**

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive **Director**

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Investment Managers Securities (Private) Limited ('the Company') was incorporated in Pakistan as a private company on August 31, 2006 under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office situated at Suite No. 308, 3rd Floor, Continental Trade Centre, Block-8, Clifton, Karachi. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 Standard 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 from the IFRS Standards, the provisions of, and directive issued under, the Companies Act, 2017 have been followed.

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Company’s financial reporting.

b) Standard and amendments to approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

3.2 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses, if any however, Intangible assets having indefinite life are stated at cost less impairment losses, if any.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss using reducing balance method over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value and fair value less cost to sell.

3.2.1 Trading Right Entitlement Certificate

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

3.3 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises expenditure that is directly attributable to the acquisition of the asset including transaction costs.

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 6 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

3.4 Financial instruments

3.4.1 Financial assets - Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;
(b) financial assets measured at fair value through other comprehensive income (FVOCI); and
(c) financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.4.2 Financial assets - Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit and loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recorded in other comprehensive income, except in the case of impairment gains or losses and foreign exchange gains and losses. This recognition continues until the financial asset is either derecognised or reclassified. Upon derecognition, the cumulative gain or loss previously included in other comprehensive income is transferred from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.4.3 Financial liabilities - Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

3.5 Impairment

3.5.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and quantitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial assets has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirely or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

3.5.2 Impairment of non-financial assets

The carrying amout of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

3.6 Derecognition

3.6.1 Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of profit or loss, but is transferred to statement of changes in equity.

3.6.2 Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss.

3.7 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Trade and other receivables

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.11 Taxation

Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

iii) Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

3.12 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.13 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.

- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.

- Dividend income is recorded when the right to receive the dividend is established.

- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

- Unrealized capital gains / (losses) arising from mark to market of investments classified as ‘financial assets at fair value through profit or loss’ are included in profit and loss account for the period in which they arise.

- Rental income from investment properties is recognized on accrual basis.

- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.

- Unrealised gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through other comprehensive income' are taken directly to other comprehensive income.

3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

3.16 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity and the statement of cash flows as a result of this change.

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees					
Effect on statement of profit or loss						
Profit / (loss) before income tax	10,697,266	(94,148)	10,603,118	(2,713,527)	(307,560)	(3,021,087)
Levies - final tax	-	(94,148)	(94,148)	-	(307,560)	(307,560)
Income tax expense	(2,125,597)	94,148	(2,031,449)	3,423,278	307,560	3,730,838

4 PROPERTY AND EQUIPMENT

	Office equipments	Computer equipments	Furniture & fixtures	Total
	(Rupees)	*(Rupees)*	*(Rupees)*	*(Rupees)*
Net carrying value basis				
Year ended June 30, 2024				
Opening net book value	309,472	62,590	2,607,242	**2,979,305**
Additions during the year (at cost)	163,600	-	-	**163,600**
Disposals at net book value	-	-	-	**-**
Depreciation charge for the year	(70,961)	(18,777)	(391,086)	**(480,824)**
Closing net book value	**402,111**	**43,813**	**2,216,156**	**2,662,081**
Gross carrying value basis				
As at June 30, 2024				
Cost	1,397,915	1,192,306	6,432,375	**9,022,596**
Accumulated depreciation	(995,804)	(1,148,493)	(4,216,219)	**(6,360,516)**
Net book value	**402,111**	**43,813**	**2,216,156**	**2,662,081**
Net carrying value basis				
Year ended June 30, 2023				
Opening net book value	319,085	64,415	3,067,343	**3,450,844**
Additions during the year (at cost)	45,000	25,000	-	**70,000**
Disposals at net book value	-	-	-	**-**
Depreciation charge for the year	(54,613)	(26,825)	(460,101)	**(541,539)**
Closing net book value	**309,472**	**62,590**	**2,607,242**	**2,979,305**
Gross carrying value basis				
As at June 30, 2023				
Cost	1,234,315	1,192,306	6,432,375	**8,858,996**
Accumulated depreciation	(924,843)	(1,129,716)	(3,825,133)	**(5,879,692)**
Net book value	**309,472**	**62,590**	**2,607,242**	**2,979,305**
Depreciation rates (%)	**15**	**30**	**15**	

	Notes	Rupees 2024	Rupees 2023

5 INTANGIBLE ASSET

Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	**2,500,000**	**2,500,000**

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 DEFERRED TAXATION

Deductible temporary difference

Unrealized loss on re-measurement of investment	-	221,487
Provision for expected credit losses	3,184,548	3,470,273
Decelerated depreciation	20,154	38,797
Capital loss on short term investment	-	281
Deferred tax asset	**3,204,702**	**3,730,838**

7 LONG TERM DEPOSITS

National Clearing Company of Pakistan Limited	1,400,000	1,400,000
Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Stock Exchange Limited	5,500,000	5,500,000
Other deposits	16,000	16,000
	7,016,000	**7,016,000**

7.1 This represents deposits placed with Pakistan Stock Exchange Limited against Base Minimum Capital requirement.

8 TRADE RECEIVABLES

Considered good		21,839,862	11,557,381
Considered doubtful		10,981,200	20,243,949
		32,821,063	**31,801,330**
Allowance for expected credit loss	8.1	(10,981,200)	(11,966,458)
		21,839,862	**19,834,872**
Receivable from National Clearing Company of Pakistan Limited		1,787,943	1,442,363
		23,627,805	**21,277,235**

8.1 Allowance for expected credit loss

Opening balance	11,966,458	12,041,547
Reversal of expected credit loss	(985,258)	(75,089)
Closing balance	**10,981,200**	**11,966,458**

8.1.1 The Company assessed on a forward looking basis, the expected credit losses associated with trade receivables and measured loss allowance for trade receivables at an amount equal to life time expected credit losses.

8.1.2 Aging analysis

Upto 90 days	10,278,628	12,157,721
More than 90 but upto 180 days	4,706,959	5,806,359
More than 180 but upto 360 days	6,854,276	1,870,792
More than 360 days	10,981,200	11,966,458
	32,821,063	**31,801,329**

8.2 Due from related parties which are not impaired and their maximum amount outstanding at any time during the year calculated with reference to month end balances are as follows:

Name of related party	Amount due		Maximum amount outstanding at any time during the year	
	2024	2023	2024	2023
	---------------------------Rupees----------------------------			
Osama Abdul Ghani	326,416	2,059,538	5,685,066	7,301,925
Altaf	10,421,515	11,411,315	10,211,515	11,411,315
Abdul Qadir	7,419,770	5,996,245	48,023,505	33,329,686
Kanwal Bano	-	19,688,806	-	19,688,806
	18,167,701	**39,155,904**	**63,920,086**	**71,731,732**

8.2.1 Aging analysis - related party

Name of related party	1 - 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total gross amount due
	-------------------------------------Rupees--------------------------------------				
Osama Abdul Ghani	326,416		-	-	**326,416**
Altaf	-	-	-	10,421,515	**10,421,515**
Abdul Qadir	7,419,770	-	-	-	**7,419,770**
Kanwal Bano	-	-	-	-	**-**
	7,746,186	**-**	**-**	**10,421,515**	**18,167,701**

8.3 Total value of securities pertaining to clients held in the Central Depository Company of Pakistan	**218,567,286**	**169,147,950**
8.4 Value of clients' securities pledged with National Clearing Company of Pakistan Limited	**24,870,960**	**10,320,000**
8.5 Value of clients' securities pledged with Financial Institutions	**-**	**-**

8.6 *The securities are valued using market rate at the year end*

	Notes	Rupees 2024	Rupees 2023

9 SHORT TERM INVESTMENT

Investments at fair values through profit & loss			
Securities of Pakistan Stock Exchange Limited		3,861,017	5,337,595
Unrealised gain / (loss) on remeasurement of investment at fair value - through profit or loss		2,822,716	(1,476,578)
Market value as on June 30, 2024		**6,683,733**	**3,861,017**
Investments at fair values through other comprehensive income			
Securities of Pakistan Stock Exchange Limited		8,000,836	11,060,615
Unrealised gain / (loss) on remeasurement of investment		5,849,260	(3,059,779)
Market value as on June 30, 2024		**13,850,095**	**8,000,836**
GRAND TOTAL		**20,533,828**	**11,861,852**

9.1 Securities having market value of **Rs. 20,533,828/- (2023: Rs. 11,861,852/-)** are pledged with Pakistan Stock Exchange Limited for the purpose of base minimum capital requirement.

10 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Notes	Rupees 2024	Rupees 2023
Deposit against exposure margin requirement	**10.1**	51,300,000	27,700,000
Income tax refundable		4,854,276	4,340,464
Sales tax withheld by clients		76,346	-
Prepaid expenses		83,330	-
Advance to related party		19,688,806	19,688,806
Advance to staff		410,000	412,899
		76,412,759	**52,142,169**

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

11 CASH AND BANK BALANCES

	Notes	Rupees 2024	Rupees 2023
Cash in hand		10,000	10,000
Cash at Bank			
in call treasury accounts	**11.1**	36,388,734	3,514,977
		36,398,734	**3,524,977**

	Notes	Rupees 2024	Rupees 2023

11.1 The return on these balances is 17.5% to 20% (2023: 8% to 12%) per annum on daily product basis.

11.2 ***Bank balance pertains to:***

	Rupees 2024	Rupees 2023
Clients	36,281,108	1,420,607
Brokerage House	107,626	2,094,370
	36,388,734	**3,514,977**

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

Number of shares 2024	Number of shares 2023		Rupees 2024	Rupees 2023
11,000,400	11,000,400	Ordinary shares of Rs. 10 each fully paid in cash	110,004,000	110,004,000
9,000,000	9,000,000	Ordinary shares of Rs. 10 each issued for consideration other than in cash.	90,000,000	90,000,000
20,000,400	**20,000,400**		**200,004,000**	**200,004,000**

12.1 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.

12.2 **PATTERN OF SHAREHOLDING**

Name of shareholders	2024	2023	2024	2023
	Number of Shares		Percentage of Holding	
Osama Abdul Ghani	1,000,000	1,000,000	5.00%	5.00%
Altaf Yousuf	5,000,200	5,000,200	25.00%	25.00%
Abdul Qadir	9,000,100	9,000,100	45.00%	45.00%
Wasim Hyder	5,000,100	5,000,100	25.00%	25.00%
	20,000,400	**20,000,400**	**100%**	**100%**

During the year there were no changes in shareholdings above 5%

13 **ACCRUED EXPENSES & OTHER LIABILITIES**

	Rupees 2024	Rupees 2023
Accrued expenses	302,272	203,487
Payable to dealers	3,027,117	1,844,972
Witholding tax payable	540,716	264,960
Sales tax payable	114,248	59,503
Other liabilities	20,957,019	-
	24,941,372	**2,372,922**

14 **CONTINGENCIES AND COMMITMENTS**

14.1 There are no contingencies and commitments as at June 30, 2024 (June 30, 2023: Nil)

15 **OPERATING REVENUE**

	Rupees 2024	Rupees 2023
Brokerage commission including sales tax on services	12,450,607	7,993,783
Less: Sales tax on services	(1,432,371)	(939,081)
Net brokerage commission excluding sales tax on services	**11,018,236**	**7,054,702**

	Notes	Rupees 2024	Rupees 2023

16 ADMINISTRATIVE EXPENSES

	Notes	Rupees 2024	Rupees 2023
Directors' remuneration	16.1	2,410,000	2,400,000
Salaries, wages and other benefits		2,417,000	2,393,000
Rent, rates and taxes		582,000	880,610
Repair and maintenance		1,028,360	961,496
Telephone and communication charges		216,580	163,530
Service and transaction charges		3,575,617	1,986,970
Utility charges		721,083	622,228
Computer, software and I.T.expenses		445,164	495,958
Entertainment		364,050	634,665
Dealers' commission & benefits		5,563,203	2,781,991
Legal and professional		135,600	236,720
Fees and subscriptions		344,000	687,540
Postage and courier		550	3,010
Printing and stationery		12,680	95,820
Vehicle running and travelling		108,610	144,320
Generator expense		48,919	54,719
Auditors' remuneration	16.2	430,400	189,000
Depreciation		480,824	541,539
Penalty		-	350,000
Donation		-	145,000
Other expenses		827,337	438,874
		19,711,977	**16,206,990**

16.1 Remuneration of Chief Executive and Director

	2024			2023		
	Chief Executive	**Directors**	**Executive**	**Chief Executive**	**Directors**	**Executive**
Managerial remuneration	2,410,000		-	-	2,400,000	-
Medical allowance	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Housing and utilities	-	-	-	-	-	-
	2,410,000	**-**	**-**	**-**	**2,400,000**	**-**
Number of persons (including those who worked part of the year)	**1**	**3**		**1**	**3**	

16.2 Auditors' remuneration

	Rupees 2024	Rupees 2023
Audit services		
Annual audit fee	250,000	189,000
Certifications	110,000	-
	360,000	**189,000**
Non-audit services		
Other services	75,000	-
	75,000	**-**
	435,000	**189,000**

	Notes	Rupees 2024	Rupees 2023

17 OTHER INCOME

	Notes	Rupees 2024	Rupees 2023
From financial assets			
Profit on deposit against exposure and Base Minimum Capital requirement		7,306,029	4,596,895
Profit on savings accounts		6,239,243	2,436,711
IPO commission		-	-
		13,545,272	**7,033,606**
From non-financial assets			
Cost recoveries		2,055,552	824,063
Reversal of expected credit loss		985,258	75,089
		3,040,810	**899,152**
		16,586,082	**7,932,758**

18 FINANCE COST

	Notes	Rupees 2024	Rupees 2023
Bank charges		17,792	17,261
		17,792	**17,261**

19 LEVIES

	Notes	Rupees 2024	Rupees 2023
Minimum tax differential	**19.1**	94,148	307,560
		94,148	**307,560**

19.1 This represents portion of minimum tax paid under section 233 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

20 INCOME TAX

	Notes	Rupees 2024	Rupees 2023
Current		1,505,313	-
Deferred		526,136	(3,730,838)
		2,031,449	**(3,730,838)**

20.1 Relationship between income tax expense and accounting profit

	Notes	Rupees 2024	Rupees 2023
Profit / (loss) before levies and income tax		**10,697,266**	**-**
Tax at the enacted tax rate		3,102,207	-
Tax effect minimum tax differential		94,148	-
Tax effect of exempt income		(1,104,312)	-
Tax effect of non deductible expenses		(15,089)	-
Tax effect of deferred tax		526,136	-
Tax effect of tax credit		(477,493)	-
		2,125,597	**-**

20.2 The income tax returns of the Company have been filed up to tax year 2023 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

21 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

21.1.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of interest rate risk, foreign currency risk and price risks.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

	2024	2023
	—— Carrying amounts (Rs.) ——	
Financial assets		
Deposits with banks	36,388,734	3,514,977
Deposit against exposure margin requirement	51,300,000	27,700,000
Deposit against Base Minimum Capital requirement	5,500,000	5,500,000
	93,188,734	**36,714,977**

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit before tax	
	1% increase	**1% decrease**
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	**931,887**	**(931,887)**
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	**367,150**	**(367,150)**

(ii) <u>Foreign Currency Risk</u>

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

(iii) <u>Price Risk</u>

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of equity securities in particular sectors of the market.

The table below summarizes Company's equity price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical increase / (decrease) in profit before tax (Rupees)
June 30, 2024	20,533,828	**10% increase**	**22,587,211**	**2,053,383**
		10% decrease	**18,480,445**	**(2,053,383)**
June 30, 2023	11,861,852	10% increase	13,048,037	1,186,185
		10% decrease	10,675,667	(1,186,185)

21.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2024			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	---------------------------------- (Rupees)	---		
Financial liabilities				
Trade payables	31,271,627	31,271,627	31,271,627	-
Accrued expenses & other liabilities	24,286,408	24,286,408	24,286,408	-
	55,558,035	**55,558,035**	**55,558,035**	**-**

	2023			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	---------------------------------- (Rupees)	---		
Financial liabilities				
Trade payables	937,473	937,473	937,473	-
Accrued expenses & other liabilities	2,048,459	2,048,459	2,048,459	-
	2,985,932	**2,985,932**	**2,985,932**	**-**

21.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 360 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	Rupees 2024	Rupees 2023
Long term advances & deposits	7,016,000	7,016,000
Trade receivables	23,627,805	21,277,235
Short term investment	20,533,828	11,861,852
Advances, deposits & other receivables	76,412,759	52,142,169
Cash & bank balances	36,398,734	3,524,977
	163,989,126	**95,822,234**

a) Credit risk exposure on trade debts

To reduce the exposure to credit risk arising from trade debts / receivable against margin financing, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts.

	June 30, 2024		June 30, 2023	
	Gross carrying amount	**Provision for expected credit losses**	**Gross carrying amount**	**Provision for expected credit losses**
	Rupees			
Not past due	-	-	-	
Past due 1 day - 90 days	10,278,628	-	12,157,721	
Past due 91 days - 180 days	4,706,959	-	5,806,359	
Past due 181 days - 360 days	6,854,276	-	1,870,792	
Past due above 360 days	10,981,200	10,981,200	11,966,458	11,966,458
	32,821,063	**10,981,200**	**31,801,329**	**11,966,458**

Except as disclosed above, no provision for expected credit losses has been recognized in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

b) Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	**Short term rating**	**2024**	**2023**
		Rupees	
Bank Al Habib Limited	A-1+	35,643,112	482,643
Habib Bank Limited	A-1+	745,622	3,032,335
		36,388,734	**3,514,977**

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

21.2 Financial Instruments by category

21.2.1 Financial Assets

	2024			
	At fair value through profit or loss	**At fair value through other comprehensive income**	**At amortised cost**	**Total**
Long term advances & deposits	-	-	7,016,000	7,016,000
Trade receivables	-	-	23,627,805	23,627,805
Short term investment	6,683,733	13,850,095	-	20,533,828
Advances, deposits & other receivables	-	-	76,412,759	76,412,759
Cash & bank balances	-	-	36,398,734	36,398,734
	6,683,733	**13,850,095**	**143,455,299**	**163,989,126**

	2023			
	At fair value through profit or loss	**At fair value through other comprehensive income**	**At amortised cost**	**Total**
Long term advances & deposits	-	-	7,016,000	7,016,000
Trade receivables	-	-	21,277,235	21,277,235
Short term investment	3,861,017	8,000,836	-	11,861,852
Advances, deposits & other receivables	-	-	52,142,169	52,142,169
Cash & bank balances	-	-	3,524,977	3,524,977
	3,861,017	**8,000,836**	**83,960,382**	**95,822,234**

21.2.2 Financial Liabilities

	2024		
	Amortised cost	**At fair value through profit or loss**	**Total**
Trade payables	31,271,627	-	**31,271,627**
Accrued expenses & other liabilities	24,286,408	-	**24,286,408**
	55,558,035	**-**	**55,558,035**

	2023		
	Amortised cost	**At fair value through profit or loss**	**Total**
Trade payables	937,473	-	**937,473**
Accrued expenses & other liabilities	2,048,459	-	**2,048,459**
	2,985,932	**-**	**2,985,932**

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial assets

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit and loss				
Investment in securities of Pakistan Stock Exchange Limited	6,683,733	-	-	6,683,733
	6,683,733	**-**	**-**	**6,683,733**
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through other comprehensive income				
Investment in securities of Pakistan Stock Exchange Limited	13,850,095	-	-	13,850,095
	13,850,095	**-**	**-**	**13,850,095**

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit and loss				
Investment in securities of Pakistan Stock Exchange Limited	3,861,017	-	-	3,861,017
	3,861,017	**-**	**-**	**3,861,017**
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through other comprehensive income				
Investment in securities of Pakistan Stock Exchange Limited	8,000,836	-	-	8,000,836
	8,000,836	**-**	**-**	**8,000,836**

23 CAPITAL

23.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

23.2 Capital Adequacy Level

		June 30. 2024
Total Assets		172,355,909
Less: Total Liabilities		(56,212,999)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-
Capital Adequacy Level	**23.2.1**	**116,142,910**

23.2.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the company as at June 30, 2024, as determined by Pakistan Stock Exchange has been considered.

23.3 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2024, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is enclosed as Annexure - I.

24 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel (including directors) and their close family members and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 16.1 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

ASSOCIATED COMPANIES, DIRECTORS, SHAREHOLDERS AND KEY MANAGEMENT PERSONNEL:

	2024	2023
Osama Abdul Ghani (Chief Executive Officer)		
Transactions during the year		
Commision earned on sale and purchase of securities	652,834	81,244
Commission paid	-	342,000
Balances at year end		
Trade receivable at year end	326,416	2,059,538
Commission payable	198,000	215,300
Abdul Qadir (Director)		
Transactions during the year		
Commision earned on sale and purchase of securities	-	1,908,000
Balances at year end		
Trade receivable at year end	7,419,770	5,996,245
Commission payable	1,782,000	752,700
Wasim Hyder (Director)		
Transactions during the year		
Commision earned on sale and purchase of securities	-	1,610,000
Balances at year end		
Commission payable	990,000	868,000
Altaf Yousuf (Director)		
Transactions during the year		
Commision earned on sale and purchase of securities	-	540,000
Balances at year end		
Trade receivable at year end	10,421,515	11,411,315

25 GENERAL

25.1 Number of Employees

	2024	**2023**
Total employees of the Company at the year end	6	5
Average employees of the Company during the year	6	5

25.2 Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

Figures have been rounded off to the nearest rupee.

25.3 Authorization for Issue

These financial statements were approved by the Company's board of directors and authorised for issue on _______________.

Chief Executive **Director**

Annexure - A-I

INVESTMENT MANAGERS SECURITIES (PRIVATE) LIMITED
STATEMENT OF LIQUID CAPITAL
AS ON JUNE 30, 2024

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,662,081	(2,662,081)	-
1.2	Intangible Assets	2,500,000	(2,500,000)	-
1.3	Investment in Govt. Securities			
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.			
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.			
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirenment, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	20,533,828	(20,533,828)	-
	ii. If unlisted, 100% of carrying value.			
1.6	Investment in subsidiaries			
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.** (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirenments of base minimum capital may be taken in the calculation of LC	7,000,000	(7,000,000)	-
1.9	Margin deposits with exchange and clearing house.	51,300,000	-	51,300,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	99,330	(99,330)	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***			
1.15	Advances and receivables other than trade Receiveables; (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. (ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation . (iii) In all other cases 100% of net value	25,029,429	(25,029,429)	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	1,787,943	-	1,787,943
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***			
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	602,966	-	602,966
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	14,493,873	(13,714,246)	779,627

	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. ***vi. Lower of net balance sheet value or value determined through adjustments***	18,167,701	(10,421,515)	7,746,186
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	107,626	-	107,626
	ii. Bank balance-customer accounts	36,281,108	-	36,281,108
	iii. Cash in hand	10,000	-	10,000
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	(i)No haircut may be applied in respect of amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker. (ii) In case of Investment in IPO where shares have been alloted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.			
1.20	**Total Assets**	**180,575,885**	**(81,960,429)**	**98,615,456**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	31,271,627	-	31,271,627
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	654,964	-	654,964
	ii. Accruals and other payables	24,286,408	-	24,286,408
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for taxation			
	viii. Other liabilities as per accounting principles and included in the financial statements			
2.3	**Non-Current Liabilities**			
	i. Long-Term financing			
	ii. Other liabilities as per accounting principles and included in the financial statements			
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:			
2.5	**Advance against shares for Increase in Capital of Securities broker:** 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	**Total Liabilites**	**56,212,999**	**-**	**56,212,999**
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities			
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
3.3	**Net underwriting Commitments**			
	(a) in the case of right issue : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment			
	(b) in any other case : 12.5% of the net underwriting commitments			
	Negative equity of subsidiary			

3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	-	-
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	17,575,846	-	17,575,846
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met			
3.10	**Short selll positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	**Total Ranking Liabilites**	**17,575,846**	**-**	**17,575,846**
	Liquid Capital	**106,787,040**	**(81,960,429)**	**24,826,611**

Chief Executive Officer / Director