PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED

Financial Statements

For the half Year Ended 31 Dec 2019

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Financial Position

As at 31 December, 2019

	Note	Dec-19 Rupees	Jun-19 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	177,422	199,397
Intangible assets	6	2,545,000	2,545,000
Long term investments	7	42,757,556	42,757,556
Long term deposits	8	1,200,000	1,200,000
		46,679,978	**46,701,953**
Current assets			
Trade debts - net	9	2,203,407	1,745,612
Deposits, prepayments and other receivables	10	3,692,689	4,330,997
Income tax refundable	11	716,799	713,333
Short term investments	12	2,568,742	3,348,515
Cash and bank balances	13	3,106,141	3,015,383
		12,287,778	**13,153,839**
		58,967,757	**59,855,793**
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	14	46,092,320	46,092,320
Unappropriated profit		(3,377,464)	(3,027,087)
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		12,411,526	12,411,526
Total equity		**55,126,382**	**55,476,759**
Current liabilities			
Trade and other payables	15	3,767,222	4,304,881
Provision for taxation	16	74,152	74,152
		3,841,374	**4,379,033**
Contingencies and commitments	17	-	-
		58,967,756	**59,855,793**

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

PROGRESSIVE INVESTMENT MANAGEMENT (PVT) LTD. TREC 420 PAKISTAN STOCK EXCHANGE LTD.

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Income Statement

For the half year ended December 31, 2019

	Note	Dec-19 Rupees	Jun-19 Rupees
Operating revenue	18	1,810,245	2,584,372
Gain/(loss) on sale of short term investments		-	(165,211)
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		-	(868,528)
		1,810,245	1,550,633
Operating and administrative expenses	19	(2,211,662)	(4,533,997)
Operating profit / (loss)		**(401,417)**	**(2,983,364.02)**
Financial charges	20	(7,926)	(6,325)
Other income and losses	21	58,966	36,044
Profit / (loss) before taxation		(350,377)	(2,953,645)
Taxation	22	-	(74,152)
Profit/(loss) for the year		**(350,377)**	**(3,027,797)**
Earnings/(loss) per share - basic	23	**0.00**	**(0.66)**

The annexed notes from 1 to 35 form an integral part of these financial statements.

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD. TREC HOLDER OF PAKISTAN STOCK EXCHANGE LTD. TREC 420

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Comprehensive Income

For the half year ended December 31, 2019

	Note	Half year ended 31 Dec 2019 Rupees	2019 Rupees
Profit/(loss) for the year		(350,377)	(3,027,797)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		-	-
Total comprehensive income/(loss) for the year		**(350,377)**	**(3,027,797)**

The annexed notes from 1 to 35 form an integral part of these financial statements.

PROGRESSIVE INVESTMENT MANAGEMENT (PVT) LTD. TREC HOLDER OF PAKISTAN STOCK EXCHANGE LTD. TREC 420

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Cash Flows

For the half year ended December 31, 2019

	Note	Half year ended 31 Dec 2019	43617	2018
		Rupees	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		**(350,377)**	**(2,953,645)**	**(3,498,613)**
Adjustments:				
Depreciation and impairment		21,975	36,942	1,546,704
Dividend income		(664,251)	(497,522)	(365,814)
Provision for / (reversal of provision for) doubtful debts		-	(462,469)	(1,041,526)
Realized loss / (gain) on sale of investments		-	165,211	44,195
Unrealized loss / (gain) on short-term investments		-	868,528	262,016
		(642,276)	**110,689**	**445,575**
Operating profit before working capital changes		**(992,653)**	**(2,842,956)**	**(3,053,038)**
(Increase)/decrease in current assets				
Trade debts - net		(457,795)	4,660,892	(2,229,162)
Advances		-	-	1,184,000
Deposits, prepayments and other receivables		638,308	(985,232)	(2,484,805)
Increase/(decrease) in current liabilities				
Trade and other payables		(537,660)	369,253	314,163
		(357,147)	**4,044,914**	**(3,215,804)**
Cash generated from / (used in) operations		**(1,349,799)**	**1,201,957**	**(6,268,842)**
Proceeds from net sales of / (acquisition of) short-term investments		779,772	(1,365,035)	(2,324,036)
Dividend received		664,251	497,522	365,814
Taxes paid		3,466	243,088	(92,494)
		1,447,489	**(624,426)**	**(2,050,716)**
Net cash from operating activities		**97,690**	**577,532**	**(8,319,558)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment/Software		-	(58,850)	(75,000)
Decrease / (increase) in long-term deposits		-	-	(1,000,000)
Net cash generated from / (used in) investing activities		**-**	**(58,850)**	**(1,075,000)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		-	-	8,000,000
Net cash generated from / (used in) financing activities		**-**	**-**	**8,000,000**
Net (decrease)/increase in cash and cash equivalents		**97,690**	**518,682**	**(1,394,558)**
Cash and cash equivalents at the beginning of the year		**3,015,383**	**2,496,701**	**3,891,259**
Cash and cash equivalents at the end of the year	*13*	**3,113,073**	**3,015,383**	**2,496,701**

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Changes in Equity

For the half year ended December 31, 2019

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	.....Rupees.....			
Balance as at July 1, 2017	38,092,320	3,499,491	-	41,591,811
Issuance of shares	8,000,000	-	-	8,000,000
Total comprehensive income for the year				
Loss for the year	-	(3,498,781)	-	(3,498,781)
Other comprehensive income/(loss)	-	-	12,411,526	12,411,526
	-	**(3,498,781)**	**12,411,526**	**8,912,745**
Balance as at June 30, 2018	**46,092,320**	**710**	**12,411,526**	**58,504,556**
Total comprehensive income for the year				
Loss for the year	-	(3,027,797.24)	-	(3,027,797)
Other comprehensive income/(loss)	-	-	-	-
	-	**(3,027,797)**	**-**	**(3,027,797)**
Balance as at June 30, 2019	**46,092,320**	**(3,027,087)**	**12,411,526**	**55,476,759**
Total comprehensive income for the year				
Loss for the year	-	(350,377)	-	(350,377)
Other comprehensive income/(loss)	-	-	-	-
	-	**(350,377)**	**-**	**(350,377)**
Balance as at December 31, 2019	**46,092,320**	**(3,377,464)**	**12,411,526**	**55,126,382**

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended December 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Progressive Investment Mangement (Private) Limited (the "Company") was incorporated in Pakistan on June, 1994 as a private limited company, limited by shares, under the Companies Ordinance, 1984 . The Company's registered office is situated at Islamabad Stock Exchange towers. The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;

- Investments in unquoted equities, measured at fair value through other comprehensive income;

- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and

- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

2.3 New standards, amendments / improvements to existing standards (including interpretations thereof) and forthcoming requirements

Accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for new and amended standards / interpretations that became effective July 1, 2018. Refer to notes 3.1 and 4 for details of these standards and of the impact on the Company of adopting these standards (including transition-related disclosures). Newly-effective standards other than those disclosed in note 3.1 are considered not to be relevant, or such standards do not have any significant effect on the Company's financial statements and, accordingly, the impact from their adoption has not been disclosed in the financial statements.

The following IFRSs (as well as amendments thereto and interpretations thereof) as notified under the Companies Act, 2017 are / will be effective for accounting periods beginning on or after the dates specified below July 1, 2019:

- IAS 28: Investments in Associates and Joint Ventures (Amendment: Long-term Interests in Associates and Joint Ventures)

This amendment affects companies which finance associates and/or joint ventures with preference shares or with loans for which repayment is not expected in the foreseeable future (where the interests in such associates joint ventures are referred to as Long-term Interests or LTIs). LTIs are in the scope of both IFRS 9 and IAS 28, and interpretative guidance provides the annual sequence in which both standards are to be applied. The amendment is effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of assessing the potential impact, if any, that the adoption of this amendment may have on its financial statements.

- IFRS 9: Financial Instruments (Amendment Prepayment Features with Negative Compensation)

For a debt instrument to be eligible for measurement at amortized cost or Fair Value through Other Comprehensive Income (FVOCI), IFRS 9 requires its contractual cash flows to meet the Solely Payments of Principal and Interest (SPPI) test - that is, the cash flows must be solely payments of principal and interest. Some prepayment options could result in the party that triggers

early termination receiving compensation from the other party (negative compensation). Alternatively put, such options may result in borrowers prepaying the instrument at an amount less than the unpaid principal and interest owed. This amendment permits financial assets containing prepayment-with-negative-compensation features to be measures at amortized cost or FVOCI if they meet other relevant requirements of IFRS 9.

This amendment is effective for annual periods beginning on or after January 1, 2019. The amendment is not expected to impact the Company's financial statements.

- IFRS 16: Leases

This standard introduces a single, on-balance sheet lease accounting model for lessees, whereby the lessee recognizes a single, right-of-use asset (representing its right to use an asset) and a lease liability representing the lessee's obligation to make lease payments. Guidance being replaced and superseded by IFRS 16 includes (but is not limited to) IAS 17 (Leases), IFRIC 4 (Determining Whether An Arrangement Contains a Lease) and SIC 15 (Incentives in Operating Leases). The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of identifying the nature and quantum of the impact of the adoption of this standard on the Company's financial statements.

- IAS 19: Employee Benefits

Amendments to IAS 19 clarify the approach to be employed (including the use of actuarial assumptions to determine current service cost and net interest, and the relationship between the asset ceiling and the gain/loss on plan settlement) upon amendment, curtailment or settlement of a defined benefit plan. The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to significantly impact the Company's financial statements.

- IAS 1 Presentation of Financial Statements IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to these standards are intended to make the definition of material in IAS 1 easier to understand and apply, and are not intended to alter the underlying concept of materiality in IFRS standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing general purpose financial statements in accordance with IFRS.

- IFRS 3: Business Combinations / IFRS 11: Joint Arrangements (Amendment: Definition of a Business)

The International Accounting Standards Board (IASB) has issued amendments with the objective of resolving difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be a considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The amendments are effective for business combinations for which the acquisition date is on or after January 1, 2020, and therefore would not have an impact on past financial statements.

Other amendments to these standards relate to the re-measurement of a previously-held interest in a joint operation when a reporting entity obtains control of the joint operation (when that joint operation meets the definition of a business). The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to impact the Company's financial statements.

- IAS 12: Income Taxes

An amendment to this standard clarifies that the income tax consequences of dividends are recognized consistently and concurrently with the transaction that generates distributable profits. The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

- IAS 23: Borrowing Costs

An amendment to this standard clarifies that a reporting entity treats as general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use (or sale). The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

In addition to the above, IFRIC 23 - which relates to uncertainty over income tax treatments - is effective for annual periods beginning on or after January 1, 2019. The amendment is not expected to materially impact the Company's financial statements

upon adoption.

Finally, on March 29, 2018, the IASB issued a revised Conceptual Framework for Financial Reporting. The Conceptual Framework serves primarily as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs. Any inconsistencies between the revised Framework and individual IFRSs are subject to the usual due process, meaning that the overall impact on standard setting may take some time to crystallize. In the absence of specific IFRS requirements, entities may use the Framework as a reference for selecting accounting policies.

Certain new standards, amendments and/or interpretations issued by the IASB are yet to be notified by the SECP for the purpose of applicability in Pakistan.

2.4 Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are continually evaluated and are based on historical experience as well as expectations of future events 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.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements, are as follows:

(i) Estimates of useful lives and residual values of items of property, plant and equipment (Note 5);
(ii) Estimates of useful lives of intangible assets (Note 6);
(iii) Allowance for credit losses (Note 3.8);
(iv) Fair values of unquoted equity investments (Note 7);
(v) Classification, recognition, measurement / valuation of financial instruments (Note 3.2); and
(vi) Provision for taxation (Note 25)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except as described in notes 3.1 and 4.

3.1 Changes in Significant Accounting Policies

The Company adopted IFRS 15 (*Revenue from Contracts with Customers*) and IFRS 9 (*Financial Instruments*) from July 1, 2018. The new standards are effective for annual periods beginning on or after July 1, 2018 and for reporting periods ending on or after June 30, 2019.

Details of new policies pursuant to these standards and the nature and effect of the changes in accounting policies are set out in the remainder of this note.

3.1.1 IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*, which introduces a unified five-step model for determining the timing, measurement and recognition of revenue. The broad objective of the new standard is to introduce a framework whereby revenue is recognized as performance obligations are fulfilled rather than based on the transfer of risks and rewards. IFRS 15 includes a comprehensive set of disclosure requirements, including quantitative and qualitative information about contracts with customers, to help users understand the nature, amount and timing of revenue as well as uncertainty around it. The standard supersedes and replaces IAS 18 - *Revenue*, IAS 11 - *Construction Contracts* and a number of related interpretations.

Due to the nature of contractual arrangements with customers and the regulatory environment in which the Company operates, the adoption of IFRS 15 did not have a significant impact on the financial statements of the Company.

3.1.2 IFRS 9 - Financial Instruments

IFRS 9 - *Financial Instruments* relates to the recognition, classification, measurement and derecognition of financial assets and liabilities, hedge accounting and the impairment of financial assets. It supersedes and replaces IAS 39 - *Financial Instruments: Recognition and Measurement*.

Changes in accounting policies, if any, resulting from the adoption of IFRS 9 have been applied retrospectively. Details of significant new accounting policies adopted are set out in note 3.2. The nature and effect of changes to previous accounting policies are set out in note 4.

3.2 Financial assets and liabilities

Recognition and initial measurement

The Company, on the date of initial recognition, recognizes loans, debt securities, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the trade date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Classification and Measurement of Financial Assets

IFRS 9 eliminates the IAS 39 categories for financial assets (held-to-maturity, loans and receivables, held-for-trading and available-for-sale). Instead, IFRS 9 classifies financial assets into the following categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI");
- Amortized cost;
- Elected at fair value through other comprehensive income (equities only); or
- Designated at FVTPL

Financial assets include both debt and equity instruments.

Debt Instruments

Debt instruments are classified into one of the following measurement categories:

- Amortized cost;
- FVOCI;
- FVTPL; or
- Designated at FVTPL

Classification of debt instruments is determined based on:
(i) The business model under which the asset is held; and
(ii) The contractual cash flow characteristics of the instrument

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses / provision for doubtful debts in the statement of financial position.

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income. Upon derecognition, realized gains and losses are reclassified from other comprehensive

income and recorded in the statement of income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to the income statement using the effective interest rate method. Impairment on debt instruments measured at FVOI is calculated using the expected credit loss approach.

Debt instruments are measured at FVTPL if assets are held for trading purposes, are held as part of a portfolio managed on a fair value basis, or whose cash flows do not represent payments that are solely payments of principal and interest. Transaction costs for such instruments are recognized immediately in profit or loss.

Finally, debt instruments in the "designated at FVTPL" category are those that have irrevocably designated by the Company upon initial recognition. This designation is available only for those debt instruments for which a reliable estimate of fair value can be obtained. Instruments are designated at FVTPL typically if doing so eliminates or reduces accounting mismatch which would otherwise arise.

Equity Instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon initial recognition, with transaction costs recognized immediately in profit or loss. Subsequent to initial recognition, changes in fair value are recognized through profit or loss.

An initial recognition, there is an irrevocable option for the Company to classify non-trading equity instruments at FVOCI. This election is typically used for equity instruments for strategic or longer-term investment purposes. The election is made on an instrument-by-instrument basis and is not available to equity instruments that are held for trading purposes. Gains and losses on these instruments are recorded in OCI and are not subsequently reclassified to profit or loss. As such, there is no specific impairment requirement. Dividends received are recorded in profit or loss. Any transaction costs incurred upon purchase are added to the cost basis of the security and are not reclassified to profit or loss upon the sale of the security.

Classification and Measurement of Financial Liabilities

Financial liabilities are classified into one of the following measurement categories:

- FVTPL;
- Amortized cost; or
- Designated at FVTPL.

Financial liabilities measured at FVTPL are held principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial liabilities are recognized on a trade date basis and are accounted for at fair value, with changes in fair value and any gains or losses recognized in profit or loss. Transaction costs are expensed as incurred.

Financial liabilities may also be designated at FVTPL if a reliable estimate of fair value can be obtained and when (a) the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise, (b) a group of financial liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, or (c) the financial liability contains one or more embedded derivatives which significantly modify the cash flows required. Any changes in fair value are recognized in profit or loss, except for changes in fair value arising from changes in the Company's own credit risk, which are recognized in OCI. Changes in fair value due to changes in the Company's own credit risk are not subsequently reclassified to profit or loss upon derecognition or extinguishment of liabilities.

Other financial liabilities are accounted for at amortized cost. Interest expense is calculated using the effective interest rate method.

Determination of Fair Value

The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or, in its absence, the most advantageous market to which the Company has access at the measurement date. The Company values instruments carried at fair value using quoted market prices, where available. Unadjusted quoted market prices for identical instruments represent a Level 1 valuation. When quoted prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered

Level 3.

In determining fair value for certain instruments or portfolios of instruments, valuation adjustments or reserves may be required to arrive at a more accurate representation of fair value. These adjustments may include unobservable parameters or constraints on prices in inactive or illiquid markets.

Derecognition of Financial Assets and Financial

A financial asset is derecognized when the contractual rights to the cash flows from asset have expired, or the Company transfers the contractual rights to receive the cash flows from the financial asset, or has assumed an obligation to pay those cash flows to an independent third party, or the Company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If he variability in cash flows remains significantly similar subsequent to the transfer, the Company has retained substantially all of the risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) the cumulative gain or loss that had been recognized in OCI, is recognized in profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognized as a gain/loss in profit or loss.

3.3 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 5 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

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

3.4 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both (but not for sale in the ordinary course of

business), used in the supply of services or for administrative purposes is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognized in the profit and loss account.

3.6 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset (and the net amount is reported in the financial statements) when the Company has a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realize the assets and settle the liabilities simultaneously. When financial assets and financial liabilities are offset in the statement of financial position, the related income and expense items are also offset in the statement of income, unless specifically prohibited by an applicable accounting standard.

3.7 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

3.8 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when

estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information.

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized 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 expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

3.10 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps

in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

3.12 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. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.13 Provisions

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

3.14 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

3.15 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.16 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.17 Revenue recognition

Revenue is recognized to the extent that it is probable that 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 and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- 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 marking to market financial assets are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

3.18 Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

3.19 Functional and presentation currency

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

3.20 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into.

Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

3.21 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

4 TRANSITION TO IFRS 9

The Company's transition to IFRS 9, with an effective transition date of July 1, 2018, did not result in any quantitative remeasurement or reclassification adjustments in the statement of financial position. Qualitatively, the classification of financial assets changed, as described below, whereas the classification of financial liabilities was unchanged. As well, the difference between the closing impairment allowance for financial assets in accordance with IAS 39 was not significantly different from the opening impairment allowance under IFRS 9.

The following table presents the impact from the transition to IFRS 9 on the Statement of Financial Position at transition date, July 1, 2018.

As at July 1, 2018

IAS 39			IFRS 9		
Financial statement line item ("FSLI")	*Measurement basis*	*Carrying amount*	*Carrying amount*	*Measurement basis*	*FSLI*
Cash and bank balances	Amortized cost	2,496,700	2,496,700	Amortized cost	Cash and bank balances
Short-term investments	FVTPL	3,473,393	3,473,393	FVTPL	Short-term investments
Trade debts	Amortized cost	5,944,035	5,944,035	Amortized cost	Trade debts
Trade deposits and short-term prepayments	Amortized cost	3,345,765	3,345,765	Amortized cost	Trade deposits and short-term prepayments
Long-term investments	AFS	42,757,556	42,757,556	FVOCI	Long-term investments
Long-term deposits	Amortized cost	1,200,000	1,200,000	Amortized cost	Long-term deposits

5 PROPERTY AND EQUIPMENT

5 PROPERTY AND EQUIPMENT

Description	Dec-19								
	Cost			Accumulated Depreciation				Net book value as at 31 December 2019	Rate of Depreciation
	As at 1 July 2019	Additions/ (Deletions)	As at 31 December 2019	As at 1 July 2019	Adjustments	For the half year	As at 31 December 2019		
	Rupees								
Office equipment	164,170	-	164,170	137,521	-	1,332	138,854	25,316	10%
Computer equipment	420,406	-	420,406	326,939	-	14,020	340,959	79,447	30%
Furniture and fixtures	354,500	-	354,500	310,665	-	2,192	312,856	41,644	10%
Office renovation	758,520	-	758,520	723,074	-	4,431	727,504	31,016	25%
	1,697,596	**-**	**1,697,596**	**1,498,199**	**-**	**21,975**	**1,520,174**	**177,422**	

PROGRESSIVE INVESTMENT MANAGEMENT (PVT) LTD. TREC HOLDER OF PAKISTAN STOCK EXCHANGE LTD. TREC 420

Sumaiya Shaikh

6 INTANGIBLE ASSETS

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Trading Rights Entitlement Certificate ("TREC")	*6.1*	2,500,000	2,500,000	4,000,000
Back office software		45,000	45,000	75,000
		2,545,000	2,545,000	4,075,000
Impairment	*6.2*			(1,500,000)
		2,545,000	2,545,000	2,575,000

6.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

6.2 Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC to PKR 2.5 million. As a result, the Company recognized an impairment loss on the TREC in the amount of PKR 1.5 million in fiscal 2018.

7 LONG-TERM INVESTMENTS

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Investments at fair value through OCI				
LSE Financial Services Limited (unquoted) - at fair value	*7.1*	42,757,556	42,757,556	30,346,030
Adjustment for remeasurement to fair value		-	-	12,411,526
		42,757,556	**42,757,556**	**42,757,556**

7.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 6.1, the Company received 3,034,603 shares of ISE Towers REIT Management Limited. Of these, 60% (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 1,123,842 shares) were allotted to the Company.

These shares are neither listed on any exchange nor are they actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares notified by ISE Towers REIT Management Limited.

8 LONG-TERM DEPOSITS

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Central Depository Company Limited		100,000	100,000	100,000
National Clearing Company of Pakistan Limited		1,100,000	1,100,000	1,100,000
		1,200,000	**1,200,000**	**1,200,000**

9 TRADE DEBTS

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Considered good	*9.1*	2,418,946	1,745,612	5,944,035
Considered doubtful		-	215,539	678,008
		2,418,946	**1,961,151**	**6,622,043**
Less: Provision for doubtful debts	*9.2*	215,539	215,539	678,008
		2,203,407	**1,745,612**	**5,944,035**

9.1 The Company holds client-owned securities with a total fair value of PKR 42,532,588 (2018: PKR 39,510,719) as collateral against trade debts. Refer to note 3.8 for details around the Company's methodology for computing estimated credit losses under the expected loss model under IFRS 9.

Trade debts include no receivables from related parties.

9.2 Movement in provision against trade debts is as under:

Opening balance (as at July 1)	**215,539**	**678,008**	**3,088,324**
Charged to profit and loss during the year	**-**	**(462,469)**	**(1,041,526)**
	215,539	**215,539**	**2,046,797**
Amounts written off during the year	-	-	**1,368,789**
Closing balance (as at June 30)	**215,539**	**215,539**	**678,008**

10 TRADE DEPOSITS, SHORT-TERM PREPAYMENTS & OTHER RECEIVABLES

Margin deposits	1,688,221	1,852,314	2,785,000
Other deposits	120,960	120,960	120,960
NCSS futures and other receivables	1,883,508	2,357,723	439,805
	3,692,689	**4,330,997**	**3,345,765**

11 INCOME TAX REFUNDABLE

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Opening balance (as at July 1)		713,333	470,413	377,918
Add: Current year additions		3,466	243,088	92,495
		716,799	713,501	470,412
Less: Adjustment against provision for taxation		-	168	-
Balance at the end of the year		**716,799**	**713,333**	**470,412**

12 SHORT TERM INVESTMENTS

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Investments at fair value through profit or loss				
Investments in listed securities		2,568,742	3,348,515	3,473,393
		2,568,742	**3,348,515**	**3,473,393**

13 CASH AND BANK BALANCES

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Cash in hand		599,905	501,493	384,080
Cash at bank				
Current accounts	*13.1*	**2,506,236**	**2,513,890**	**2,112,621**
		3,106,141	**3,015,383**	**2,496,700**

13.1 Cash in current accounts includes customers' assets in the amount of PKR 2,448,154 (2018: 1,652,812) held in designated bank accounts.

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
14.1 Authorized capital				
5,000,000 (2018: 5,000,000) ordinary shares of PKR 10 each.		**50,000,000**	**50,000,000**	**50,000,000**
14.2 Issued, subscribed and paid-up share capital				
4,609,232 (2018: 3,809,232) ordinary shares of PKR 10/- each, issued for cash		46,092,320	46,092,320	46,092,320
		46,092,320	**46,092,320**	**46,092,320**

15 TRADE AND OTHER PAYABLES

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Trade creditors	*15.1*	3,393,814	3,215,817	3,119,948
Accrued expenses and other payables		362,908	939,064	665,679
Auditor's remuneration payable		10,500	150,000	150,000
		3,767,222	**4,304,881**	**3,935,628**

15.1 This includes PKR NIL (2018: PKR 26,841) due to related parties.

16 PROVISION FOR TAXATION

	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Balance at the beginning of the year	**74,152**	**168**	10,652
Add: current year provision	-	**74,152**	168
	74,152	**74,320**	10,820
Less: adjustment against advance tax	-	**168**	10,652
Balance at the end of the year	**74,152**	**74,152**	168

17 CONTINGENCIES AND COMMITMENTS

17.1 There are no contingencies or commitments of the Company as at June 30, 2019 (2018: Nil).

18 OPERATING REVENUE

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Brokerage income		1,145,994	2,086,850	2,020,783
Dividend income		664,251	497,522	365,814
		1,810,245	2,584,372	2,386,597

19 OPERATING & ADMINISTRATIVE EXPENSES

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Staff salaries, allowances and other benefits		814,000	1,645,000	1,868,100
Directors' remuneration		90,000	420,000	-
Communication expense		108,640	128,233	143,771
Postage and courier charges		16,934	48,897	33,149
Entertainment		105,002	192,202	154,194
Printing and stationery		42,724	80,237	135,269
Rent		556,411	1,200,183	1,112,694
CDC trading charges		59,959	99,070	121,130
NCCPL trading charges		81,510	98,466	53,601
Provision for / reversal of provision for doubtful debts		-	(462,469)	(1,041,526)
PSX trading charges		10,000	5,000	40,000
Fee and subscription		281,507	473,347	223,964
Legal and professional charges		23,000	286,000	212,500
Auditor's remuneration	*19.1*	-	150,000	150,000
Misc. expenses		-	102,889	253,680
Depreciation	*5*	21,975	36,942	46,704
Amortization		-	30,000	-
		2,211,662	**4,533,997**	**5,007,229**

19.1. Auditor's remuneration

Statutory audit	-	125,000	125,000
Certifications and other charges	-	25,000	25,000
	-	150,000	150,000

20 FINANCIAL CHARGES

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Bank and other charges		7,926	6,325	3,881
		7,926	**6,325**	**3,881**

21 OTHER INCOME / LOSSES

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Forfeited deposit for office space		-	-	(670,000)
Sundry / miscellaneous income		58,966	36,044	57,916
		58,966	36,044	(612,084)

22 TAXATION

	Note	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Current tax expense / (income)				
for the year		-	74,152	-
prior years			-	-
		-	**74,152**	**-**

The tax provision made in the financial statements is considered sufficient.

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	Dec-19 Rupees	Jun-19 Rupees	2018 Rupees
Profit / (loss) after taxation, attributable to ordinary shareholders	**(350,377)**	**(3,027,797)**	(3,498,781)
Weighted average number of ordinary shares in issue during the year	**-**	**4,609,232**	4,209,232
Earnings per share	**-**	**(0.66)**	**(0.83)**

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

24. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	2019		2018	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	-	1	-	1
Directors	35,000	1	-	1

25 FINANCIAL INSTRUMENTS BY CATEGORY

	2019			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long term deposits	200,000	-	-	**200,000**
Long term investment	-	42,757,556	-	**42,757,556**
Current assets				
Short-term investments	-	-	2,568,742	**2,568,742**
Trade debts - net	2,409,312	-	-	**2,409,312**
Deposits, prepayments and other receivables	4,330,997	-	-	**4,330,997**
Cash and bank balances	3,015,383	-	-	**3,015,383**
LIABILITIES				
Current liabilities				
Trade and other payables	3,807,418	-	-	**3,807,418**

	2018			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long-term deposits	1,200,000	-	-	**1,200,000**
Long term investment	-	42,757,556	-	**42,757,556**
Current assets				
Short-term investments	-	-	3,473,393	**3,473,393**
Trade debts - net	5,944,035	-	-	**5,944,035**
Deposits, prepayments and other receivables	3,345,765	-	-	**3,345,765**
Cash and bank balances	2,496,700	-	-	**2,496,700**
LIABILITIES				
Current liabilities				
Trade and other payables	3,935,628	-	-	**3,935,628**

26 FINANCIAL RISK MANAGEMENT

26.1 Risk management framework

The Director / Chief Executive has overall responsibility for the establishment and oversight of the Company's risk management framework. He is also responsible for developing and monitoring the Company's risk management policies, which are monitored and assessed for effectiveness throughout the year. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to establish internal control over risk. Through its training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below.

26.2 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates, changes in the credit rating of the issuer of the instruments, change in market sentiments, speculative activities, supply and demand of securities and/or changes in liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

26.2.1 Currency risk

Currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to major foreign exchange risk in this respect.

26.2.2 Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the maturity / repricing of financial assets and liabilities through appropriate policies.

26.2.3 Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices, whether such changes are due to factors specific to individual financial instruments (including factors specific to issuers of such instruments) or due to macroeconomic or other factor affecting similar financial instruments being traded in the market.

The Company is exposed to price risk in respect of investments carried at fair value (whether as available-for-sale investments or as instruments at fair value through profit or loss). Such price risk comprises both the risk that price of individual equity investments will fluctuate and the risk that there will be an index-wide movement in prices. Measures taken by the Company to monitor, manage and mitigate price risk include daily monitoring of movements in stock indexes (such as the KSE 100 index) as well as of the correlation between the Company's investment portfolio with stock indexes.

26.3 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. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, loans and advances, investments and other receivables. The carrying amount of financial assets represents the maximum credit exposure, although this maximum is a theoretical formulation as the Company frequency holds collateral against potential credit losses.

Measures taken by management to manage and mitigate credit risk include:
- Development of and compliance with risk management, investment and operational policies / guidelines (including guidelines in respect of entering into financial contracts);
- Assignment of trading limits to clients in accordance with their net worth;
- Collection / maintenance of sufficient and proper margins from clients;
- Initial and ongoing client due diligence procedures, where clients' financial position, past experience and other factors are considered;
- Collection and maintenance of collateral if, as and when deemed necessary and appropriate;

- Diversification of client and investments portfolios; and
- Engagement with creditworthy / high credit rating parties such as banks, clearing houses and stock exchanges.

The Company continually monitors the quality of its debtor portfolio, both on an individual and portfolio basis, and provides against credit losses after considering the age of receivables, nature / quantum of collateral and debtor-specific factors (such as creditworthiness and repayment capacity).

The carrying amount of financial assets, which represents the maximum credit exposure before consideration of collateral and counterparty creditworthiness, is as specified below:

	Half year ended 31 Dec 2019	2019	2018
Long term investments	42,757,556	42,757,556	42,757,556
Long term deposits	1,200,000	1,200,000	1,200,000
Trade debts - net	2,203,407	1,745,612	5,944,035
Deposits, prepayments and other receivables	3,692,689	4,330,997	3,345,765
Short term investments	2,568,742	3,348,515	3,473,393
Cash and bank balances	3,106,141	3,015,383	2,496,700
	55,528,536	**56,398,062**	**59,217,450**

26.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

	As at June 30, 2019		
Financial liabilities	**Carrying amount**	**Within one year**	**More than one year**
Trade and other payables	4,304,881	4,304,881	-
Total	**4,304,881**	**4,304,881**	**-**

	As at June 30, 2018		
Financial liabilities	**Carrying amount**	**Within one year**	**More than one year**
Trade and other payables	3,935,628	3,935,628	-
Total	**3,935,628**	**3,935,628**	**-**

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfill its obligations as they come due.

27 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

Consistent with industry practice, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements.

28 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount that would be received on the sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

29 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

30 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial statements.

31 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 5 (2018: 5). Average number of employees was 5 (2018: 5)

32 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to improve compliance with disclosure requirements.

33 CAPITAL ADEQUACY

		2019 Rupees
Total Assets	***33.1***	59,855,793
Less: Total Liabilities		4,379,033
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		**55,476,759**

33.1 While determining the value of the total assets of the Company, the notional value as at June 30, 2019 of the TREC held by the Progressive Investment Mangement (Private) Limited has been considered.

34 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

35 AUTHORIZATION

35.1 These financial statements were authorized for issue on October 02, 2019 by the Board of Directors of the Company.

Chief Executive

Director

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standads. An explanation of each level follows the table.

Recurring FV Measurement - June 30, 2019	**Level I**	**Level II**	**Level III**	**Total**
Long-term investment - at FVOCI	-	42,757,556	-	**42,757,556.00**
Short-term investments - at FVTPL	3,348,515	-	-	**3,348,514.50**

Recurring FV Measurement as at June 30, 201	**Level I**	**Level II**	**Level III**	**Total**
Long-term investment - available-for-sale	-	42,757,556	-	**42,757,556**
At fair value through profit and loss	3,473,393	-	-	**3,473,393**

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- Level 1: Quoted market price (unadjusted) in an active market
- Level 2: Valuation techniques based on observable inputs
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

There were no transfers into or out of Level 1 measurements.