PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED

Financial Statements

For the Quarter Ended March 31, 2024

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
Statement of Financial Position
As at 31 March 2024

	Note	Unaudited Quarterly 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	82,805	96,597
Intangible assets	5	2,500,000	2,500,000
Long term investments	6	62,270,054	62,270,054
Long term deposits	7	1,500,000	1,500,000
		66,352,859	**66,366,651**
Current assets			
Trade debts - net	8	9,053,121	4,944,836
Trade deposits, prepayments and other receivables	9	6,477,279	1,902,160
Loans and advances	10	1,023,900	1,024,500
Income tax refundable	11	997,560	813,170
Short term investments	12	917,080	1,465,057
Cash and bank balances	13	8,153,095	9,975,915
		26,622,035	**20,125,638**
		92,974,894	**86,492,289**
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	14	46,092,320	46,092,320
Accumulated Gain / (loss)		5,232,636	2,273,713
Share Deposit Money		-	-
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		31,924,024	31,924,024
Total equity		**83,248,980**	**80,290,057**
Deferred Liabilities	15	-	-
Current liabilities			
Trade and other payables	16	9,725,914	5,814,383
Provision for taxation	17	-	387,849
		9,725,914	**6,202,232**
Contingencies and commitments	18	-	-
		92,974,894	**86,492,289**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
Statement of Profit or Loss
For the Quarter ended March 31, 2024

	Note	Unaudited Quarterly 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
Operating revenue			
Gain/(loss) on sale of short term investments	19	1,923,264	4,534,901
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		(65,292)	(740,415)
		(60,150)	(542,211)
		1,797,822	3,252,275
Operating and administrative expenses	20	(1,940,200)	(6,957,340)
Operating Profit / (loss)		**(142,378)**	**(3,705,065)**
Financial charges	21	(850)	(1,851)
Other income	22	328,346	2,094,375
Profit/(Loss) before taxation		185,118	**(1,612,541)**
Taxation	23	-	(415,437)
Profit/(Loss) after taxation		185,118	**(2,027,978)**
Earning / (loss) per share - basic	24	0.04	-0.57

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Officer

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

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Other Comprehensive Income

For the Quarter ended March 31, 2024

	Note	Unaudited Quarterly 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
Profit / (loss) after taxation		185,118	(2,027,978)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Investments at fair value through other comprehensive income			
Fair value Gain/(Loss) arised during the period		-	9,285,886
Total comprehensive income for the year		**185,118**	**7,257,908**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Changes in Equity

For the Quarter ended March 31, 2024

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Share deposit money	Total
		Accumulated profit / (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		
	.....Rupees.....				
Balance as at June 30, 2022	**46,092,320**	**4,301,691**	**22,638,138**	**4,000,000**	**77,032,149**
Total comprehensive income for the year					
Profit / (loss) for the year	-	(2,027,978)	-	-	(2,027,978)
Other comprehensive income	-	-	9,285,886	-	9,285,886
	-			(4,000,000)	(4,000,000)
	-	**(2,027,978)**	**9,285,886**	**(4,000,000)**	**3,257,908**
Balance as at June 30, 2023	**46,092,320**	**2,273,713**	**31,924,024**	**-**	**80,290,057**
Total comprehensive income for the half year					
Prior year adjustment		29,500			29,500
Profit / (loss) for the first 2 Quarters	-	2,744,304	-	-	2,744,304
Profit / (loss) for the 3rd Quarter		185,118			185,118
Other comprehensive income	-	-	-	-	-
Share deposit money repayment	-	-	-	-	-
	-	**2,958,922**	-	-	**2,958,922**
Balance as at March 31, 2024	**46,092,320**	**5,232,635**	**31,924,024**	**-**	**83,248,979**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Officer

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED

Statement of Cash Flows

For the Nine Month Period ended March 31, 2024

	Note	Unaudited Period ended 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		2,929,422	(1,612,541)
Adjustments:			
Depreciation and impairment		13,791	25,123
Amortization		-	-
Dividend income		(2,948,968)	(2,395,974)
Provision for / (reversal of provision for) doubtful debts		-	-
Realized loss / (gain) on sale of investments		710,087	740,415
Unrealized loss / (gain) on short-term investments		(170,940)	542,211
		(2,396,030)	(1,088,225)
Operating profit / (loss) before working capital changes		533,392	(2,700,766)
(Increase)/decrease in current assets			
Trade debts - net		(4,108,285)	4,052,387
Trade deposits, prepayments and other receivables		(4,575,119)	133,740
Loans and advances		600	(262,000)
Increase/(decrease) in current liabilities			
Trade and other payables		3,911,531	(3,089,865)
		(4,771,273)	834,262
Cash generated from / (used in) operations		(4,237,881)	(1,866,504)
Proceeds from net sales of / (acquisition of) short-term investments		8,830	4,355,463
Dividend received		2,948,968	2,395,974
Taxes paid		(542,737)	(455,984)
Net cash generated from / (used in) from operating activities		2,415,061	6,295,453
		(1,822,820)	4,428,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of computer equipment		-	(9,800)
Decrease / (increase) in long-term deposits		-	-
Net cash generated from / (used in) investing activities		-	(9,800)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received		-	(4,000,000)
Net cash generated from / (used in) financing activities		-	(4,000,000)
Net (decrease)/increase in cash and cash equivalents		(1,822,820)	419,149
Cash and cash equivalents at the beginning of the year		9,975,915	9,556,766
Cash and cash equivalents at the end of the year	13	8,153,095	9,975,915

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Officer

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LTD. TREC 420

Director

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Quarter ended March 31, 2024

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 (now the Companies Act, 2017). The Company's registered office is situated at G-9 (C), Mezzaine Floor 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 Standards, interpretations and amendments to published approved accounting standards

2.3.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

IAS 1	Presentation of financial statements (Amendments)	January 1, 2023 & January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IFRS 9	Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts
IFRIC 12	Service concession arrangements

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;
(ii) Estimates of useful lives of intangible assets;

(iii) Allowance for credit losses;
(iv) Fair values of unquoted equity investments;
(v) Classification, recognition, measurement / valuation of financial instruments; and
(vi) Provision for taxation

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;

3.1 Financial assets and liabilities

Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

Fair value through other comprehensive income

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

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in statement of profit or loss. Dividends from such investments continue to be recognised in statement of profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.2 Impairment

Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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 4 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 statement of profit or 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 statement of profit or 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 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. There is a minor difference between carrying values and tax base so deferred tax is not booked in current year.

3.9 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.

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

3.11 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.

3.12 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.

3.13 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.

3.14 Fiduciary assets

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

3.15 Trade and settlement date accounting

All " regular way" purchases and sales of listed securities are recognized on the trade date, i.e. the date that the Company commits to purchase/ sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Quarter ended March 31, 2024

4 PROPERTY AND EQUIPMENT

Particulars	2023-2024									
	Cost				Accumulated Depreciation				Net Book Value as at 31 March 2024	Rate of Depreciation
	As at 1 Jan 2024	Additions	Disposals	As at 31 March 2024	As at 1 Jan 2024	Disposals	For the Period	As at 31 March 2024		%age
	---------- Rupees ----------									
Office Equipment	164,170	-	-	164,170	147,560	-	415	147,975	16,195	10
Computer Equipment	447,206	-	-	447,205	413,938	-	2,495	416,433	30,772	30
Furniture and fixtures	354,500	-	-	354,500	327,179	-	683	327,862	26,638	10
Office renovation	758,521	-	-	758,521	748,708	-	613	749,321	9,200	25
	1,724,397	-	-	1,724,397	1,637,385	-	4,206	1,641,591	82,805	

Particulars	2023									
	Cost				Accumulated Depreciation				Net Book Value as at 30 June 2022	Rate of Depreciation
	As at 1 July 2022	Additions	Disposals	As at 30 June 2023	As at 1 July 2022	Disposals	For the year	As at 30 June 2023		%age
	---------- Rupees ----------									
Office Equipment	164,170	-	-	164,170	144,743	-	1,943	146,686	17,484	10
Computer Equipment	437,406	9,800	-	447,206	391,822	-	16,245	408,067	39,139	30
Furniture and fixtures	354,500	-	-	354,500	322,545	-	3,196	325,741	28,759	10
Office renovation	758,521	-	-	758,521	743,567	-	3,739	747,306	11,215	25
	1,714,597	9,800	-	1,724,397	1,602,677	-	25,123	1,627,800	96,597	

	Note	Unaudited Period Ended 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
5 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate ("TREC")	5.1	2,500,000	2,500,000
Back office software		-	-
		2,500,000	2,500,000
Impairment		-	-
		2,500,000	**2,500,000**

5.1 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.

Vide its notice dated November 10, 2017 Ref no. PSX/N-7178, 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 year 2018. Since then there is no change in the notional value of the TRE Certificate till 31 December 2023.

	Note	31-Mar-24 Rupees	30-Jun-23 Rupees
6 LONG-TERM INVESTMENTS			
Investments at fair value through OCI			
ISE REIT Management Company Limited (unquoted) - at fair value	6.1	62,270,054	52,984,168
Adjustment for remeasurement to fair value		-	9,285,886
		62,270,054	**62,270,054**

6.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 5.1, the Company received 3,034,603 shares at Rs.10 each share, 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 1,213,841 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 value of Rs. 20.52 according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2023 (2022: Rs. 17.46) or net asset value per share of these shares notified by ISE Towers REIT Management Limited.

Out of total shares 2,847,650 shares are pledged with Pakistan Stock Exchange for the purpose of Base Minimum Capital (BMC) requirement. Fair value of the shares pledged as at 30th June, 2023 is Rs 58,433,778.

	31-Mar-24 Rupees	30-Jun-23 Rupees
7 LONG-TERM DEPOSITS		
Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	1,400,000	1,400,000
	1,500,000	**1,500,000**

		Note	31-Mar-24 Rupees	30-Jun-23 Rupees
8	**TRADE DEBTS**			
	Considered good - unsecured	*8.2*	9,359,068	5,250,783
	Less: Allowance for ECL on trade debts	*8.1*	(305,947)	(305,947)
			9,053,121	4,944,836
	8.1 Allowance for ECL on trade debts:			
	Opening balance (as at July 1)		305,947	1,812,497
	Charged to profit or loss during the year		-	-
			305,947	1,812,497
	Allowance increased/(reversed) during the year		-	(1,506,550)
	Bad debts written off during the year		-	-
	Closing balance (as at June 30)		**305,947**	305,947
	8.2 Trade debts include due from related party as follows:			
	Sara Sharif		18,784	66,302
	Surriya Sharif		4,619	10,085
			23,403	76,387
	Less: Allowance for ECL		-	-
			23,403	**76,387**
	8.3 The aging of receivable from related party as at the reporting date is as follows:			
	Not past due		-	-
	Past due 0 - 30 days		-	66,302
	Past due 31 - 90 days		18,784	-
	Past due 91 - 1 year		4,619	10,085
	Past due more than 1 year		-	-
			23,403	**76,387**
	Impairment		-	-
			23,403	**76,387**

8.4 The maximum aggregate amount outstanding by reference to month end balances for the March quarter is Rs.9,359,068 (2023: Rs. 7,733,754).

9	**TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES**		
	Margin deposits-Ready Market	2,100,000	310,000
	Other deposits-ISE REIT Management Co. Ltd	120,960	120,960
	Receivable from NCCPL	-	529,161
	Margin Deposit- NCSS futures and other receivables	4,256,319	942,039
		6,477,279	**1,902,160**
10	**LOANS AND ADVANCES**		
	Loan to employees	**1,023,900**	**1,024,500**

		Note	31-Mar-24 Rupees	30-Jun-23 Rupees
11	**INCOME TAX REFUNDABLE**			
	Opening balance (as at July 1)		**813,170**	967,035
	Add: Current year additions		**542,737**	418,084
			1,355,907	1,385,119
	Less: Adjustment against provision for taxation		**(358,347)**	(571,949)
	Balance at the end of the year		**997,560**	**813,170**
12	**SHORT TERM INVESTMENTS**			
	Investments at fair value through profit or loss			
	Investments in listed securities			
	Cost		1,088,020	2,007,268
	Fair value adjustment		(170,940)	(542,211)
			917,080	**1,465,057**
			Market Values	
	Artistic Denim: 500 (June 2023: 500) Shares		23,850	28,545
	Kot Addu Power Company Limited: Nil (June 2023:50,640) Shares		-	1,053,312
	K Electric Limited: 200,000 (June 2023 Nil) shares		884,000	-
	Parvez Ahmed Consultancy Limited: 13000 (June 2023: Nil) Shares		9,230	
	The Searl Company Limited: Nil (June 2023: 10,000) Shares		-	383,200
			917,080	**1,465,057**
13	**CASH AND BANK BALANCES**			
	Cash in hand		935,974	895,973
	Cash at bank			
	Saving accounts	*13.2*	3,069,054	4,222,601
	Current accounts	*13.1*	4,148,067	4,857,341
			8,153,095	**9,975,915**

13.1 Cash in current accounts includes customers' assets in the amount of PKR 3,977,225 (2023: PKR 4,794,052) held in designated bank accounts.

13.2 Effective markup rate in respect of saving accounts for the year ranges from 21.35% to 21.70% (2023: 13.5% to 20.55%).

		31-Mar-24 Rupees	30-Jun-23 Rupees
14	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**		
14.1	**Authorized capital**		
	5,000,000 (2023: 5,000,000) ordinary shares of PKR 10/- each.	**50,000,000**	**50,000,000**
14.2	**Issued, subscribed and paid-up share capital**		
	4,609,232 (2023: 4,609,232) ordinary shares of PKR 10/- each, issued for cash	46,092,320	46,092,320
		46,092,320	**46,092,320**

14.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2024	2023	2024	2023
Mr. Muhammad Sharif	**2,193,232**	2,193,232	*48%*	*48%*
Mrs. Suraiya Sharif	**844,000**	844,000	*18%*	*18%*
Mr. Ahmed Sharif	**844,000**	844,000	*18%*	*18%*
Ms. Sara Sharif	**364,000**	364,000	*8%*	*8%*
Mrs. Sadia Sharif	**364,000**	364,000	*8%*	*8%*

14.4 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. There is no movement in share capital during the year.

15 DEFERRED LIABILITIES

15.1 Deferred Taxation

Deferred tax liabilities / (assets) arising due to taxable /(deductible) temporary differences are as follows

	31-Mar-24 Rupees	30-Jun-23 Rupees
Taxable temporary differences (deferred tax liabilities):		
Accelerated tax depreciation	6,366	6,366
Short term investments	-	-
Deductible temporary differences (deferred tax assets):		
ECL on Trade debts	-	(88,725)
Deferred tax on minimum tax	-	(232,692)
Short term investments - loss carried forward	(134,746)	(134,746)
Brought forward tax losses	(3,063,795)	(3,063,795)
	(3,192,175)	**(3,513,592)**

16.1.1 As at March 31, 2024, deferred tax asset amounting to Rs. 3,192,175 (June 30, 2023: Rs. 3,513,592 has not been recognized in these financial statements as the Company does not foresee sufficient taxable profits in future.

	Note	31-Mar-24 Rupees	30-Jun-23 Rupees
16 TRADE AND OTHER PAYABLES			
Trade creditors	*16.1*	8,737,816	5,404,636
Accrued expenses and other payables		65,038	40,588
Auditor's remuneration payable		-	137,500
NCSS future payable		-	117,630
NCCPL DFC payable		791,647	98,499
Other payable		131,413	15,530
		9,725,914	**5,814,383**

16.1 This includes PKR 518,102 (2023: PKR NIL) due to related parties.

	Note	31-Mar-24 Rupees	30-Jun-23 Rupees
17 PROVISION FOR TAXATION			
Balance at the beginning of the year		387,849	582,261
Add: current year provision		-	415,437
		387,849	**997,698**
Less: Paid/Adjustment against advance tax		(387,849)	(609,849)
Balance at the end of the year		-	**387,849**

		Unaudited Quarterly 31-Dec-23 Rupees	Audited Yearly 30-Jun-23 Rupees
18 CONTINGENCIES AND COMMITMENTS			
18.1 Commitments			
For purchase of shares		-	87,726
For sale of shares		5,881,830	231,499
19 OPERATING REVENUE			
Brokerage income		1,923,264	2,138,927
Dividend income		-	2,395,974
		1,923,264	4,534,901

	Note	Unaudited Quarterly 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
20 OPERATING & ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		718,310	2,958,200
Directors' remuneration	25	150,000	600,000
Communication expense		115,957	289,065
Postage and courier charges		4,076	42,333
Entertainment		59,608	231,567
Printing and stationery		8,080	115,525
Rent		377,039	1,424,795
CDC trading charges		35,190	87,502
NCCPL trading charges		105,845	266,025
Provision for doubtful debts		-	-
PSX trading charges		105,321	320,550
Fee and subscription		70,000	50,000
Legal and professional charges		160,843	302,135
Auditor's remuneration	20.1	2,100	137,500
Accounting Software Maintenance Charges		23,625	107,020
Depreciation	4	4,206	25,123
		1,940,200	**6,957,340**
20.1. Auditor's remuneration			
Statutory audit		-	137,500
Certifications and other charges		2,100	-
		2,100	**137,500**
21 FINANCIAL CHARGES			
Bank and other charges		850	1,851
		850	**1,851**
22 OTHER INCOME			
Profit on NCCPL Deposits		160,030	167,175
Profit on bank deposit		166,849	378,318
Sundry / miscellaneous income		1,467	42,332
Provision for doubtful debt reversal		-	1,506,550
		328,346	**2,094,375**

23 TAXATION

	Note	Unaudited Quarterly 31-Mar-24 Rupees	Audited Yearly 30-Jun-23 Rupees
Current tax expense / (income)			
For the year		-	386,133
Prior years		-	29,304
		-	415,437

23.1 Reconciliation of applicable rate and effective rate of tax has not been made due to the application of minimum tax u/s 113 in current year.

24 EARNINGS / (LOSS) PER SHARE-BASIC

Basic earning 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:

	Note	Unaudited Half Yearly 31-Dec-23 Rupees	Audited Yearly 30-Jun-23 Rupees
Profit / (loss) after taxation, attributable to ordinary shareholders		185,118	-2,027,978
Weighted average number of ordinary shares in issue during the year		4,609,232	4,609,232
Earnings / (loss) per share		0.04	(0.44)

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.

25 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:

	Quarterly March 2024		Year Ended June 30, 2023	
	Remuneration	No. of persons	Remuneration	No. of persons
Chief Executive Officer	150,000	1	600,000	1
Directors	-	-	-	-

No person falls under the definition of executive.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS BY CATEGORY

	Mar-24			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long term deposits	1,500,000	-	-	**1,500,000**
Long term investments	-	62,270,054	-	**62,270,054**
Current assets				
Short-term investments	-	-	917,080	**917,080**
Trade debts - net	9,053,121	-	-	**9,053,121**
Trade deposits, prepayments and other receivables	6,477,279	-	-	**6,477,279**
Loans and advances	1,023,900			**1,023,900**
Cash and bank balances	8,153,095	-	-	**8,153,095**
LIABILITIES				
Current liabilities				
Trade and other payables	9,725,914	-	-	**9,725,914**

	Jun-23			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long-term deposits	1,500,000	-	-	**1,500,000**
Long term investments	-	62,270,054	-	**62,270,054**
Current assets				
Short-term investments	-	-	1,465,057	**1,465,057**
Trade debts - net	4,944,836	-	-	**4,944,836**
Trade deposits, prepayments and other receivables	1,902,160	-	-	**1,902,160**
Loans and advances	1,024,500			**1,024,500**
Cash and bank balances	9,975,915	-	-	**9,975,915**
LIABILITIES				
Current liabilities				
Trade and other payables	5,814,383	-	-	**5,814,383**

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

26.1 Fair value hierarchy

The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

The Company held the following financial assets at fair value:

	Note	Level 1	Level 2	Level 3	Total
		----------	Rupees	----------	
March 31, 2024					
At fair value through other comprehensive income					
Long Term Investments	26.2.1	-	62,270,054	-	**62,270,054**
At fair value through profit or loss					
Short Term Investments	26.2.2	917,080	-	-	**917,080**
June 30, 2023					
At fair value through other comprehensive income					
Long Term Investments		-	62,270,054	-	**62,270,054**
At fair value through profit or loss					
Short Term Investments		1,465,057	-	-	**1,465,057**

26.2 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

26.2.1 Long Term Investments

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 value according to audited financial statements of ISE REIT Management Company Limited for the year ended June 30, 2023.

26.2.2 Short Term Investments

The fair value of held for trading investment is determined by reference to their quoted closing value at the reporting date.

27 FINANCIAL RISK MANAGEMENT

27.1 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.

27.2 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.

27.2.1 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.

27.2.2 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.

27.2.3 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.

27.3 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:

	31-Mar-24 Rupees	30-Jun-23 Rupees
Long term investments	62,270,054	62,270,054
Long term deposits	1,500,000	1,500,000
Trade debts - net	9,053,121	4,944,836
Trade deposits, prepayments and other receivables	6,477,279	1,902,160
Loans and advances	1,023,900	1,024,500
Short term investments	917,080	1,465,057
Cash and bank balances	7,217,121	9,079,942
	88,458,555	**82,186,549**

27.4 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 March 31, 2024		
Financial liabilities	Carrying amount	Within one year	More than one year
Trade and other payables	9,725,914	9,725,914	-
Total	**9,725,914**	**9,725,914**	**-**

	As at June 30, 2023		
Financial liabilities	Carrying amount	Within one year	More than one year
Trade and other payables	5,814,383	5,814,383	-
Total	**5,814,383**	**5,814,383**	**-**

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.

27.5 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in 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 similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

28 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.

29 SHARES HELD IN CUSTOMERS SUB ACCOUNTS IN CENTRAL DEPOSITORY SYSTEM

Number of customers' shares held in Central Depository System and customers' shares pledged with financial institutions as at March 31, 2023 is 175,801,343 and pledged 20,000 shares of Cenery Pak Limited of amount Rs. 90,000 for exposure.

30 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 other than the remuneration of Directors and key management personnel as disclosed in note 25 to these financial statements is as follows:

Other transactions are disclosed in below note:

	For the Quarter Ended on 31 March, 2024		
	Chief Executive/ Director	Other related parties	Total
	Rupees		
Purchase of marketable securities for and on behalf of	15,148,200	8,805,176	**23,953,376**
Sale of marketable securities for and on behalf of	15,158,842	8,793,176	**23,952,018**
Brokerage income	279,410	499,798	**779,208**
Receipts during the year	1,281,489	45,867	**1,327,356**
Payments during the year	149,816	126,553	**276,369**

	For the year Ended June 30, 2023		
	Chief Executive/ Director	Other related parties	Total
	Rupees		
Purchase of marketable securities for and on behalf of	2,019,048,404	-	**2,019,048,404**
Sale of marketable securities for and on behalf of	2,015,900,480	-	**2,015,900,480**
Brokerage income	685,172	-	**685,172**
Receipts during the year	9,846,926	-	**9,846,926**
Payments during the year	2,800,775	-	**2,800,775**

31 EVENTS AFTER REPORTING PERIOD

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

32 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 6 (2023: 5). Average number of employees was 6 (2023: 5)

33 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.

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Nine Month Period ended March 31, 2024

35 CAPITAL ADEQUACY		2024 Rupees
Total Assets	*35.1*	92,974,894
Less: Total Liabilities		(9,725,914)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		**83,248,980**

35.1 While determining the value of the total assets of the Company, the notional value as at June 30, 2023 of the TREC held by the Progressive Investment Mangement (Private) Limited as determined by Pakistan Stock Exchange (PSX) has been considered.

36 GENERAL

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

37 AUTHORIZATION

These financial statements were authorized for issue on 29 APR 2024 by the Board of Directors of the Company.

Chief Executive

Director

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

PROGRESSIVE INVESTMENT MANAGEMENT (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2024

34 STATEMENT OF LIQUID CAPITAL

Basis of Preparation

The liquid capital balance has been prepared under regulation 6(4) of Third Schedule of Securites Brokers (Licensing and operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjusments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	82,805	100.00%	-
1.2	Intangible Assets	2,500,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
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.	917,080	168,235	748,845
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	62,270,054	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	6,356,319	-	6,356,319
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	120,960	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
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 receivables	2,021,460	100.00%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.		-	-
	ii. Receivable on entitlements against trading of securities in all markets including Mtm gains.	3,272,565	-	3,272,565
	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.***	-	-	-

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1.17	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	134,440	-	134,440
	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***	5,933,376	3,432,965	2,500,411
	vi. 100% haircut in the case of amount receivable from related parties.	18,784	100.00%	9,392
1.18	**Cash and Bank balances**			
	I. Bank Balance- Proprietory accounts	3,239,896	-	3,239,896
	ii. Bank balance- Customer accounts	3,977,225	-	3,977,225
	iii. Cash in hand	935,974	-	935,974
1.19	**Total Assets**	**93,280,939**		**21,175,067**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	8,737,816	-	8,737,816
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	196,451	-	196,451
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	791,647	-	791,647
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	**Total Liabilities**	**9,725,914**		**9,725,914**
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 financees.	-	-	-
3.2	**Concentration in securities 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	-	-	-

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	Net underwriting Commitments			
3.3	**(a) in the case of right issuse :** if the market value of securities 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 issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(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	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	**In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	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 value of a security exceeds 51% of the proprietary position, then 10% of the value of such security	88,400	-	88,400
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	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 Liabilities**	88,400	-	88,400
		83,466,625	**Liquid Capital**	**11,360,753**

Calculations Summary of Liquid Capital

(i) Adjusted value of assets (serial number 1.19)	21,175,067
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(9,725,914)
(iii) Less: Total ranking liabilities (series number 3.11)	(88,400)
Liquid Capital (Rs.)	**11,360,753**