IGI FINEX SECURITIES LIMITED
ANNUAL REPORT 2024

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NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that that 31st Annual General Meeting of IGI Finex Securities Limited will be held on Tuesday, April 15, 2025 at 09:50 a.m. at 7th floor, The Forum, Block-9, Clifton, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on Monday, April 15, 2024.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2024 together with Director's Report and Auditor's Report thereon.

3. To reappoint Company's auditors for the year ending December 31, 2025 and to fix their remuneration. M/s. A.F. Ferguson & Co. Chartered Accountants have offered their services to act as auditors of the Company.

4. To consider and approve final cash dividend pertaining to Preference Shareholders at the rate of Rs. 0.30/ per preference share) amounting to Rs. 14,550,000/- for the year ended December 31, 2024 as recommended by the Board of Directors.

OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

Karachi:
March 25, 2025

By Order of the Board

Company Secretary

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Directors' Report

The Directors of IGI Finex Securities Limited are pleased to present their report together with the Annual Audited Financial Statements for the year ended December 31, 2024.

Market Review

The benchmark KSE100 index gained 52,676 points during the year ending December 31, 2024 to reach 115,127 index level, translating in to a positive return of 84.3%, and compared to increase of 22,031 points (54.5%) during last year.

At the beginning of the year, the General Elections 2024 were held on February 08, 2024 and the new coalition government assumed office. Pakistan also successfully concluded the Standby Agreement (SBA) with IMF. Moreover, the incumbent Government presented and approved the Federal Budget 2025 with new taxation measures in line with IMF's conditions. Resultantly, Pakistan reached SLA with IMF in Jul-2024 and got board approval in Sep-2024 for 37-month EFF program of US$ 7bn. IMF highlighted that Pakistan's economic and financial position has significantly improved and IMF expects the growth to be modest. IMF highlighted that need for external financing owing to hefty external outflows expected in FY25. Under the EFF program, focus continues to remain on appropriate monetary stance, energy sector reforms, market determined exchange rate and SOE's governance. However, IMF also included tax on agriculture income to be implemented in FY25, which would significantly improve Government's revenue and contain fiscal deficit. Moreover, Pakistan's rating was also upgraded by Fitch to CCC+ in Jul-2024. Pakistan's weightage in MSCI Frontier Market also increased as more scrips were added to the index. However, foreign selling was witnessed in specific scrips during 3QCY24 as FTSE downgraded Pakistan to Frontier Market from Secondary Emerging in Jul-2024. During 4QCY24, market further strengthened on account of declining interest rates and higher liquidity led by mutual funds as flows migrated from money market to equity funds.

During 1QCY24, SBP held 2 Monetary Policy Committee (MPC) meetings and maintained interest rate at 22%. Even though the inflation witnessed a significant decline during the quarter but SBP maintained the status quo owing to heightened risk to inflation outlook in the coming months. However, during 2QCY24 SBP slashed interest rates by 150bps in it Jun-24 MPC meeting owing to substantial decline in inflation. During 3QCY4 as inflation dropped further, MPC further slashed Policy Rate by 300bps cumulatively in its meetings held in Jul-2024 and Sep-2024 bringing Policy Rate down to 17.5%. As inflation continued its downward trajectory supported by lower food prices and high base effect, SBP further slashed interest rates by a total of 450bps to 13% during 4QCY24.

On economic front, PKR appreciated by 1.2% during the period ended December 31, 2024 to close at PKR 278.6/USD. SBP's foreign exchange reserves increased from USD 8.22bn at the end of Dec-2023 to USD 11.73bn at the end of Dec-2024, mainly due to surplus in Current Account balance and inflows from IMF despite substantial debt repayments. Inflation receded sharply to 4.1% in Dec-24 from 29.2% in Dec-23 and average inflation for 1HFY25 is down to 7.3% compared to 28.8% in the same period last year. Current Account balance during the FY24 stood at -0.7bn compared to -3.3bn during FY23. Current Account balance declined due to significant growth in exports and remittances while imports have remained stable.

Market average volumes during the year ended December 31, 2024, increased to 567mn shares compared to 323mn shares traded last year. Total average daily traded value stood at PKR 22.2bn during the year ended December 31, 2024, up by +2.2xy/y, compared to PKR 9.9bn in the same period last year. Foreign investors were net sellers during the year. Cumulative net sell recorded during the year under review was USD 117.0mn. Sector wise, Commercial banks, Food, Cements, Fertilizer, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies and Power, saw a cumulative net outflow of USD 167.9mn while Technology & Communication, Textile Composite and all other sectors recorded net inflow of USD 67.5mn. On the local front Insurance companies, Mutual Funds and Companies poured in nearly USD 257.9mn worth of liquidity, while Individuals, Banks, NBFC, Brokers and Other Organization cumulatively sold USD 140.9mn.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2024

	Year Ended 31 Dec 2024	Year Ended 31 Dec 2023	%
	Rupees		
Total operating income	658,616,413	620,725,772	6%
Other income	4,814,907	2,905,819	66%
Cost of services	(288,454,507)	(163,741,180)	76%
Gross profit	**374,976,813**	**459,890,411**	-18%
Administrative and general expenses	(89,381,558)	(56,423,934)	58%
Financial charges	(2,494,658)	(2,669,980)	-7%
Profit for the year before levy and taxation	**283,100,597**	**400,796,497**	-29%
Levy	(980,217)	(731,499)	34%
Profit for the year before taxation	**282,120,380**	**400,064,998**	-29%
Taxation	(52,469,628)	(93,184,278)	-44%
Profit for the year	**229,650,752**	**306,880,720**	-25%
Earnings per share - basic	4.42	5.90	-25%
Earnings per share - diluted	2.29	3.29	-30%

During the year ended December 31, 2024 operating revenue showed increase of 6% and amounted to Rs. 658mn. Administrative and operating expenses witnessed increase of 66% as compared to corresponding period during the period. Profit after tax of Rs. 229.651 million was recorded during the year as compared to Rs. 306.881 million in the corresponding period.

Brokerage Operations

Broking operations posted a total revenue of Rs. 345 million in FY24, which is 116% higher when compared with FY23. We made conscious efforts to increase our market share through higher penetration in the growing retail and online market.

Risk Management

Risks are unavoidable in our business and include liquidity, market, credit, operational, legal, regulatory, and reputational risks. The Company's risk management governance starts with our Board, which plays an integral role in reviewing and approving risk management policies and practices. Our risk management framework and systems are longstanding, standardized, and very robust. We believe that effective risk management is of primary importance to the success of the Company. Accordingly, we have initiated comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. A rigorous framework of limits is applied to control risk across multiple transactions, products, businesses, and markets in which we deal. This includes setting credit and market risk limits at a variety of levels and monitoring these limits regularly.

Internal Control

The internal control framework has been effectively implemented through an Internal Audit Firm (EY) for Internal Audit function which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company.

The Internal Audit function has carried out its duties under the Audit Plan defined by the Board Audit Committee. The Audit Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Board of Directors

The following directors were elected on February 07, 2023 in accordance with section 159 of the Companies Act, 2017 for a term of 3 years commencing from February 07, 2023:

1. Syed Abdul Wahab Mehdi (Chairman)
2. Syed Raza Hussain Rizvi (CEO / Executive Director)
3. Faisal Javed Khan (Executive Director)
4. Iqra Sajjad (Non-Executive Director)

The remuneration paid to the CEO and Executive Director are disclosed in the note 31 of the Financial Statements.

Outlook

Pressure from external front remains low owing to favourable C/a balance and improvement in macroeconomic indicators despite lack of financial inflows. However, any pressure on C/a balance coupled with absence of foreign inflows may start to build pressure on forex reserves and bring currency under pressure. Thus, continuation of IMF program remain critical in managing economic risks and ensuring sustained economic stability and policy-making. Going forward, we expect market to continue its positive momentum owing to decline in interest rates and improved liquidity. Decline in interest rates is also likely to reflect in 2025 and improve corporate profitability of highly leveraged companies. We expect market to continue its momentum in 2025 as valuations remain cheap while higher taxation and documentation in other asset classes is also likely to support higher liquidity in stock market.

Pattern of Shareholding

The pattern of Shareholding of the Company as of December 31, 2024, along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework are shown in the shareholding section of this report.

Auditors

The present auditors M/s. A.F. Fergusons & Co. (Chartered Accountants) being eligible, have provided their consent for appointment at the annual general meeting. The Audit Committee has recommended the appointment of M/s. A.F. Ferguson & Co. as Statutory Auditors of the company for the year ending December 31, 2025. The Board has endorsed this recommendation.

Appropriation and Dividend

The Board of Directors of the Company have proposed a final dividend pertaining to preference shareholders for the year ended December 31, 2024 of Rs. 0.03 per share amounting to Rs. 14,550,000 at their meeting held on 19 March, 2025 for approval of members at the Annual General Meeting to be held on 15 April, 2025. These financial statements do not reflect this dividend payable.

COMPANY'S STAFF AND CLIENTS

We would like to record our appreciation for continued patronage of our valuable clients and sustained efforts of our employees.

March 19, 2025

Chairman	**Chief Executive Officer**

IGI Finex Securities Limited

Key Financial Highlights

	2024	2023	2022	2021	2020	2019	2018	2017	2016
ASSETS									
Non-current assets	186,505,628	150,392,024	138,077,266	133,860,731	143,208,696	134,518,243	131,907,560	177,518,295	201,788,872
Current assets	2,558,174,616	3,552,686,393	733,391,311	1,182,899,904	1,011,275,624	721,934,370	503,330,742	933,306,112	469,996,020
Total Assets	**2,744,680,244**	**3,703,078,417**	**871,468,577**	**1,316,760,635**	**1,154,484,320**	**856,452,613**	**635,238,302**	**1,110,824,407**	**671,784,892**
EQUITY AND LIABILITIES									
Share Capital and reserves	867,141,483	628,517,863	327,332,617	327,761,735	316,371,391	276,752,168	265,430,056	443,218,391	318,704,640
Non-current liabilities	4,308,592	6,918,267	34,266,806	21,416,625	15,756,292	538,470	-	-	-
Current liabilities	1,873,230,169	3,067,642,287	509,869,154	967,582,275	822,356,637	579,161,975	369,808,246	667,606,016	353,080,252
Total Equity and Liabilities	**2,744,680,244**	**3,703,078,417**	**871,468,577**	**1,316,760,635**	**1,154,484,320**	**856,452,613**	**635,238,302**	**1,110,824,407**	**671,784,892**
Gross revenue	660,936,662	623,631,591	194,943,999	326,388,043	226,316,937	132,211,603	110,339,918	269,027,001	151,366,320
Administrative and operating expenses	(377,836,065)	(222,835,094)	(184,646,436)	(225,007,012)	(174,202,560)	(122,689,697)	(134,029,015)	(167,028,223)	(125,860,693)
Profit/(Loss) before tax	**283,100,597**	**400,796,497**	**10,297,563**	**101,381,031**	**52,114,377**	**9,521,906**	**(23,689,097)**	**101,998,778**	**25,505,627**
Taxation & Levy	(53,449,845)	(93,915,777)	(723,724)	(32,463,144)	(16,246,061)	3,547,425	(5,765,789)	(18,648,865)	(5,708,396)
Profit/(Loss) after tax	**229,650,752**	**306,880,720**	**9,573,839**	**68,917,887**	**35,868,316**	**13,069,331**	**(29,454,886)**	**83,349,913**	**19,797,231**

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INDEPENDENT AUDITOR'S REPORT

To the members of IGI Finex Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **IGI Finex Securities Limited** (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);

e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared; and

f) the Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A.F.Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 25, 2025
UDIN: AR202410611OXFd5SpYD

IGI FINEX SECURITIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

IGI FINEX SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024	2023
		---------------- Rupees --------------	
ASSETS			
Non-current assets			
Fixed assets			
- Property and equipment	4	84,517,136	63,997,980
- Intangible assets	5	15,032,351	15,522,066
Long term investments	6	44,481,946	16,173,796
Retirement benefit obligations - net	18	-	847,682
Long term deposits	7	14,329,664	21,129,664
Deferred tax asset - net	8	28,144,531	32,720,836
		186,505,628	150,392,024
Current assets			
Trade receivables - net	9	111,582,061	69,545,297
Advances	10	1,627,714	1,199,349
Deposits and prepayments	11	568,258,034	191,489,103
Accrued mark-up - net	12	12,389,193	23,054,009
Other receivables	13	5,897,825	5,056,115
Taxation recoverable		90,104,176	84,767,229
Short term investments	14	-	94,532,993
Bank balances	15	1,768,315,613	3,083,042,298
		2,558,174,616	3,552,686,393
TOTAL ASSETS		2,744,680,244	3,703,078,417
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16		
Ordinary shares		520,000,000	520,000,000
Preference shares		485,000,000	485,000,000
Surplus on remeasurement of financial assets - net	17	44,481,546	16,173,396
Accumulated losses		(182,340,063)	(392,655,533)
Total equity		867,141,483	628,517,863
Non-current liabilities			
Retirement benefit obligations - net	18	162,527	-
Lease liabilities against right-of-use assets	19	4,146,065	6,918,267
		4,308,592	6,918,267
Current liabilities			
Trade and other payables	20	1,870,454,627	3,065,443,177
Current portion of lease liabilities against right-of-use assets	19	2,775,542	2,199,110
		1,873,230,169	3,067,642,287
Total liabilities		1,877,538,761	3,074,560,554
TOTAL EQUITY AND LIABILITIES		2,744,680,244	3,703,078,417
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

IGI FINEX SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	Restated 2023
		------ Rupees ------	
Operating revenue	22	350,984,673	159,447,990
Other operating revenue	23	307,631,740	461,277,782
Total operating income		658,616,413	620,725,772
Cost of services	24	(288,454,507)	(163,741,180)
Gross profit		370,161,906	456,984,592
Administrative and general expenses	25	(89,381,558)	(56,423,934)
Operating profit		280,780,348	400,560,658
Financial charges	26	(2,494,658)	(2,669,980)
Other income	27	4,814,907	2,905,819
		2,320,249	235,839
Profit for the year before levy and taxation		283,100,597	400,796,497
Levy	28	(980,217)	(731,499)
Profit for the year before taxation		282,120,380	400,064,998
Taxation	28	(52,469,628)	(93,184,278)
Profit for the year		229,650,752	306,880,720
Earnings per share - basic	29	4.416	5.902
Earnings per share - diluted	29.1	2.285	3.288

The annexed notes from 1 to 40 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

IGI FINEX SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		---------------- Rupees	--------------
Profit for the year		229,650,752	306,880,720
Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss subsequently			
Remeasurement (loss) / gain on retirement benefit obligations	18.1.8	(6,927,638)	1,520,516
Deferred tax on remeasurement of retirement benefit obligations	8.2	2,142,356	(437,926)
		(4,785,282)	1,082,590
Unrealised gain on remeasurement of financial assets classified as 'at fair value through other comprehensive income'	17	28,308,150	3,221,936
		23,522,868	4,304,526
Total comprehensive income for the year		253,173,620	311,185,246

The annexed notes from 1 to 40 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

IGI FINEX SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital		Advance against issue of preference shares	Capital reserve	Revenue	Total
	Issued, subscribed and paid-up share capital			Surplus on remeasurement of financial assets at fair value through other comprehensive income - net	Accumulated losses	
	Ordinary shares	Preference shares				
	-----------------------	-----------------------	-------------	(Rupees)	-------------	-----------------------
Balance as at January 1, 2023	520,000,000	-	495,000,000	12,951,460	(700,618,843)	327,332,617
Total comprehensive income for the year						
Profit for the year	-	-	-	-	306,880,720	306,880,720
Other comprehensive income	-	-	-	3,221,936	1,082,590	4,304,526
	-	-	-	3,221,936	307,963,310	311,185,246
Transactions with owners in their capacity as owners directly recorded in equity						
Issue of preference shares	-	495,000,000	(495,000,000)	-	-	-
Transaction cost pertaining to issuance of preference shares	-	(8,796,356)	-	-	-	(8,796,356)
Transfer to liability	-	(1,203,644)	-	-	-	(1,203,644)
Balance as at December 31, 2023	520,000,000	485,000,000	-	16,173,396	(392,655,533)	628,517,863
Balance as at January 1, 2024	520,000,000	485,000,000	-	16,173,396	(392,655,533)	628,517,863
Total comprehensive income for the year						
Profit for the year	-	-	-	-	229,650,752	229,650,752
Other comprehensive income / (loss)	-	-	-	28,308,150	(4,785,282)	23,522,868
	-	-	-	28,308,150	224,865,470	253,173,620
Transactions with owners in their capacity as owners directly recorded in equity						
Final dividend for the year ended December 31, 2023 @ Rs. 0.30 per preference share	-	-	-	-	(14,550,000)	(14,550,000)
Balance as at December 31, 2024	520,000,000	485,000,000	-	44,481,546	(182,340,063)	867,141,483

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

IGI FINEX SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	Restated 2023
		------------- Rupees -------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levy and taxation		283,100,597	400,796,497
Adjustments for non-cash items			
Depreciation	4.5	15,261,723	7,765,551
Amortisation	5.6	568,955	589,367
Amortisation of discount income	23	(15,706,835)	(4,048,822)
Gain on disposal of property and equipment	27	(4,510,226)	(2,905,819)
Gain on disposal of investment		(53,476)	-
Dividend income	23	(1,610,012)	(418)
Profit on savings accounts	23	(260,304,652)	(438,472,950)
Income on exposure deposits with NCCPL / Pakistan Stock Exchange Limited	23	(21,268,111)	(12,363,284)
Income on Base Minimum Capital deposit	23	(3,063,854)	(3,344,652)
Income from MTS exposure	23	(504,057)	(451,432)
Charge for defined benefit plan	18.1.7	3,151,288	6,028,526
Reversal of provision for leave encashment	20.5	(2,347,255)	-
Provision for bonus	20.6	42,669,946	29,500,000
Financial charges	26	2,494,658	2,669,980
		(245,221,908)	(415,033,953)
		37,878,689	(14,237,456)
Changes in working capital			
Increase in current assets			
Trade receivables - net		(42,036,764)	(34,678,617)
Advances		(428,365)	(469,420)
Deposits and prepayments		(376,768,931)	(99,207,012)
Other receivables		(841,710)	(961,340)
		(420,075,770)	(135,316,389)
(Decrease) / increase in current liabilities			
Trade and other payables		(1,205,943,122)	2,533,307,905
Cash (used in) / generated from operations		(1,588,140,203)	2,383,754,060
Finance cost paid		(2,494,658)	(2,669,980)
Levy paid		(980,217)	(731,499)
Taxes paid		(51,087,914)	(88,851,314)
Payment against leave encashment	20.5	(198,173)	-
Bonus paid	20.6	(29,169,946)	(5,294,273)
Payment against defined benefit plan	18.1.6	(9,068,717)	(30,598,402)
Net cash (used in) / generated from operating activities		(1,681,139,828)	2,255,608,592
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment		(36,785,327)	(40,545,894)
Payment for purchase of intangible assets		(79,240)	(1,435,331)
Payment for purchase of investments		-	(90,484,171)
Proceeds from disposal of property and equipment		5,514,674	3,298,180
Proceeds from sale of investment		110,293,304	-
Decrease in long-term deposits		6,800,000	-
Dividend received		1,610,012	418
Profit / income received on savings accounts and deposits		295,805,490	438,855,589
Net cash generated from investing activities		383,158,913	309,688,790
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of transaction cost for issuance of preference shares		-	(8,796,356)
Dividend paid on preference shares		(14,550,000)	-
Lease rentals paid against right-of-use assets	19.1	(2,195,770)	(1,846,328)
Net cash used in financing activities		(16,745,770)	(10,642,684)
Net (decrease) / increase in cash and cash equivalents		(1,314,726,685)	2,554,654,698
Cash and cash equivalents at the beginning of the year		3,083,042,298	528,387,600
Cash and cash equivalents at the end of the year	15	1,768,315,613	3,083,042,298

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Finex Securities Limited (the Company) was incorporated in Pakistan on June 28, 1994 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at Suite No. 701-713, 7th Floor, the Forum, G-20, Khayaban-e-Jami, Block-9, Clifton, Karachi. The Company has a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Company is also a corporate member of Pakistan Mercantile Exchange Limited.

The principal activities of the Company include shares and commodities brokerage, and advisory and consulting services.

The Company is a wholly owned subsidiary of IGI Holdings Limited (the Holding Company).

1.2 The geographical locations and addresses of the Company's branches are as under:

- Corporate Office, Suite 701-713, 7th Floor, the Forum, Khayaban-e-Jami, Clifton, Block 9, Karachi.
- Shop # G-009, Ground Floor, Packages Mall, Lahore.
- 3rd Floor, 85 East, F/7-G/7 Kamran Centre, Jinnah Avenue, Blue Area, Islamabad.
- Office # 2, 5 & 8, Ground Floor, Regency International 949, The Mall, Faisalabad.
- Basement of Khalid Market, Building # 12, Town Hall Road, Rahim Yar Khan.
- Mezzanine Floor, Abdali Towers, Abdali Road, Multan.

2 BASIS OF PREPARATION AND MEASUREMENT

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, amendments and interpretations to accounting and reporting standards that are effective in the current year

There are certain standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.2.1 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any material effect on the Company's financial statements except for:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit or Loss' with certain additional disclosures in the financial statements.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Company to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

The management is in the process of assessing the impact of these standard and amendments on the financial statements of the Company.

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2.2.2 **Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investments have been marked to market and are carried at fair value, retirement benefit obligation has been carried at present value of the defined benefit obligation less fair value of plan assets, lease liabilities have been carried at present value and right-of-use assets are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs as disclosed in note 3.2 to these financial statements) and are depreciated over the respective lease terms.

2.2.3 **Functional and presentation currency**

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

2.2.4 **Significant accounting estimates and judgments**

The preparation of these financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

i) Determination and measurement of useful lives and residual value of property and equipment (notes 3.1.1 and 4);
ii) Amortisation of intangible assets (notes 3.1.2 and 5);
iii) Impairment of financial assets other than investments (notes 3.4.1.2, 9, 12 and 13);
iv) Provision for current and deferred taxation (notes 3.9, 8 and 28);
v) Provision for retirement benefits (notes 3.3 and 18); and
vi) Lease liability and right-of-use assets (notes 3.2, 4 and 19).

3 **MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied for all the years presented, except the following:

a) Levy

During the year, the ICAP has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. Further, certain presentational changes have also been made. The effects of restatements are as follows:

EFFECT ON THE STATEMENT OF PROFIT OR LOSS	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees		
For the year ended December 31, 2024			
Levy - tax on dividends on investments and minimum tax on institutional brokerage	-	(980,217)	(980,217)
Profit for the year before taxation	283,100,597	980,217	284,080,814
Taxation	(53,449,845)	(980,217)	(54,430,062)
Profit for the year	229,650,752	-	229,650,752
For the year ended December 31, 2023			
Levy - tax on dividends on investments and minimum tax on institutional brokerage	-	(731,499)	(731,499)
Profit for the year before taxation	400,796,497	731,499	401,527,996
Taxation	(93,915,777)	(731,499)	(94,647,276)
Profit for the year	306,880,720	-	306,880,720

There is no impact on profit for the year and earnings per share, basic and diluted.

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3.1 Fixed assets

3.1.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less accumulated impairment losses, if any. The cost of an item of property and equipment comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Depreciation on all fixed assets is calculated using the straight line method in accordance with the rates specified in note 4 to these financial statements after taking into account residual values, if significant. The assets' residual values, useful lives and depreciation method are reviewed and adjusted, if significant, at each reporting date.

Depreciation on additions is charged from the date the asset is available for use. For any disposal, depreciation is charged till the date of disposal.

Subsequent costs are included in the asset's carrying amounts or recognised 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. All other repairs and maintenance expenditures are charged to the statement of profit or loss as and when incurred.

Gains or losses arising from derecognition of property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.1.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method taking into account residual values, if significant, at the rates specified in note 5 to these financial statements. Amortisation is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives, assets' residual values and amortisation method are reviewed and adjusted, if significant,

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.2 Right-of-use assets and their related lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payments that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight line method in accordance with the rates specified in note to these financial statements and after taking into account residual values, if any. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The right-of-use asset is adjusted for certain remeasurements of the lease liability.

The Company applies the short-term lease recognition exemption towards certain leases (i.e. those lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on such leases are recognised as expense on straight line basis over the lease term.

3.3 Staff retirement benefits

3.3.1 Funded gratuity scheme

The Company operates an approved funded gratuity fund for all permanent employees who have completed the minimum qualifying period which is 1 year. Till December 2023, this minimum qualifying period was 5 years. The liability / asset recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. Contributions to the fund are made in accordance with an independent actuarial valuation using the Projected Unit Credit Method. Amounts arising as a result of remeasurements, representing actuarial gains and losses are recognised directly in equity through 'other comprehensive income' as they occur. The Company determines the net interest expense / income on the net defined benefit liability / asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period taking into account any changes in the liability / asset due to contribution / benefit payments. Net interest expense, past service costs and current service costs are recognised in the statement of profit or loss. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

3.3.2 Defined contribution plan

The Company operates an approved contributory provident fund which covers all permanent employees. Equal monthly contributions are made both by the Company and the employees to the Fund at the rate of 10 percent of basic salary.

3.4 Financial instruments

3.4.1 Financial assets

3.4.1.1 Classification and subsequent measurement

The Company classifies its financial assets in the following measurement categories in accordance with the requirements of IFRS 9:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

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The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance (ECL) recognised and measured as described in note 3.4.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, recognised and measured as described in note 3.4.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from surplus on remeasurement of financial assets to the statement of profit or loss.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The fair value of investments is determined based on the rate of securities as quoted on the Pakistan Stock Exchange Limited.

The dividend income for equity securities classified under FVOCI are to be recognised in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

3.4.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI and trade receivables. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade debts, the Company applies a simplified approach, where applicable, in calculating ECL. The Company has established a provision matrix for portfolio of customers having similar risk characteristics and estimates default rates based on the Company's historical credit loss experience, adjusted for forward-looking factors (including gross domestic product and consumer price index).

The Company considers a financial asset to be at a risk of default when contractual payments are 90 days past due, unless there are factors that might indicate otherwise. However, in certain cases, the Company may also consider 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.

3.4.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

(i) the Company transfers substantially all the risks and rewards of ownership; or

(ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

3.4.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.4.2 Financial liabilities

Financial liabilities are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss.

3.4.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss.

3.5 Securities under repurchase / resale agreement

Transactions of sale under repurchase (repo) of securities are entered into at contracted rates for specified periods of time. These securities are not derecognised from the financial statements and are continued to be recognised as investments and measured in accordance with the accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as interest / mark-up expense and accrued over the life of the repo agreement.

Transactions of purchase under resale (reverse-repo) of securities are entered into at contracted rates for specified periods of time. These securities are not recognised in the statement of financial position as investments, as the Company does not obtain control over the assets. Amounts paid under these arrangements are included in the statement of financial position as receivable against reverse repurchase transactions. The difference between purchase and resale price is treated as income from the date of reverse repurchase transaction and accrued over the life of the reverse-repo agreement.

All purchases and sales of securities that require delivery within the time frame established by the regulations or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the asset.

3.6 Trade receivables and other receivables

These are recognised at fair value and subsequently measured at amortised cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade debts and other receivables considered irrecoverable are written off.

3.7 Trade and other payables

Liabilities for trade and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the Company.

3.8 Provisions and contingent liabilities

Provisions are recognised 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 recognised represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events not wholly within the control of the Company.

3.9 Taxation - Income tax and levy

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

3.9.1 Current

Provision for current taxation is based on taxability of certain income streams of the Company under minimum tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the current year.

3.9.2 Deferred

Deferred tax is recognised using the balance sheet method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes.

Deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and suitable adjustments are made to that extent.

Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they will be reversed, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.9.3 Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

3.10 Revenue recognition

The Company recognises revenue when the performance obligations are fulfilled. The obligations are fulfilled when the services have been rendered to the customer. Therefore, the Company recognises revenue based on the following basis:

- Brokerage revenue arising from sales / purchase of securities on client's behalf is recognised on the date of execution of the transaction by the Company;
- Revenue from advisory and consultancy services is recognised when the performance obligation is satisfied i.e. when services are provided;
- Income from bank balances and government securities is recognised on accrual basis;
- Dividend income is recorded when the right to receive the dividend is established; and
- Unrealised gains / (losses) arising from mark to market of investments classified as financial assets 'at fair value through other comprehensive income' are included in other comprehensive income in the period in which these arise.

Payment from clients on brokerage revenue usually ranges between 2 days to 90 days depending on the category of the customer. Payment on advisory / consultancy services is made in accordance with the terms of each contract separately while payment of profit on bank deposit is received at month end or within 2 to 3 days of next month.

3.11 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends and transfers are approved.

3.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows include cash in hand, balances with banks in current and savings accounts, term deposits, short-term running finances under mark-up arrangements and other short-term highly liquid investments with original maturities of three months or less.

3.13 Earning per share (EPS)

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.14 Share capital

3.14.1 Ordinary shares

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. All ordinary shares rank equally with regard to the Company's residual assets after the preference shares are paid. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

3.14.2 Preference shares

Preference shares are non-redeemable. Holders of these shares receive a non-cumulative dividend at the rate of 3% as and when declared by the Company. They do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

4 PROPERTY AND EQUIPMENT

	Note	2024	2023
		------ Rupees ------	
Property and equipment	4.1	77,249,436	53,631,980
Capital work-in-progress	4.2	7,267,700	10,366,000
		84,517,136	63,997,980

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4.1 Property and Equipment

	2024								
	Leasehold improvements	Furniture and fixtures	Office equipment	Communi-cation equipment	Computer equipment	Motor vehicles	Right-of-use asset - Building	Right-of-use asset - Vehicles	Total
	Rupees								
As at January 1, 2024									
Cost	3,859,221	1,906,847	3,136,061	1,241,094	15,959,101	45,307,625	1,216,970	18,381,000	91,007,919
Accumulated depreciation	(1,628,713)	(927,980)	(1,830,124)	(1,159,361)	(10,231,814)	(15,803,755)	(1,216,970)	(4,577,222)	(37,375,939)
Net book value	2,230,508	978,867	1,305,937	81,733	5,727,287	29,503,870	-	13,803,778	53,631,980
Year ended December 31, 2024									
Opening net book value	2,230,508	978,867	1,305,937	81,733	5,727,287	29,503,870	-	13,803,778	53,631,980
Transfer from CWIP	-	-	-	-	-	10,316,000	-	-	10,316,000
Additions	-	756,180	1,532,488	526,051	4,464,192	22,288,716	-	-	29,567,627
Disposals - (note 4.3)									
Cost	-	-	-	258,721	1,457,673	4,409,422	1,216,970	-	7,342,786
Accumulated depreciation	-	-	-	(258,629)	(1,457,673)	(3,405,066)	(1,216,970)	-	(6,338,338)
	-	-	-	92	-	1,004,356	-	-	1,004,448
Depreciation charge for the year	(385,920)	(157,993)	(281,281)	(55,557)	(3,102,901)	(8,520,916)	-	(2,757,155)	(15,261,723)
Closing net book value	1,844,588	1,577,054	2,557,144	552,135	7,088,578	52,583,314	-	11,046,623	77,249,436
As at December 31, 2024									
Cost	3,859,221	2,663,027	4,668,549	1,508,424	18,965,620	73,502,919	-	18,381,000	123,548,760
Accumulated depreciation	(2,014,633)	(1,085,973)	(2,111,405)	(956,289)	(11,877,042)	(20,919,605)	-	(7,334,377)	(46,299,324)
Net book value	1,844,588	1,577,054	2,557,144	552,135	7,088,578	52,583,314	-	11,046,623	77,249,436
Depreciation rate % per annum	10	10	10	20	33	20	33	20	

	2023								
	Leasehold improvements	Furniture and fixtures	Office equipment	Communi-cation equipment	Computer equipment	Motor vehicles	Right-of-use asset - Building	Right-of-use asset - Vehicle	Total
	Rupees								
As at January 1, 2023									
Cost	3,859,221	1,789,819	2,556,617	1,232,094	12,176,179	21,577,928	1,216,970	18,381,000	62,789,828
Accumulated depreciation	(1,242,793)	(803,631)	(1,677,843)	(1,114,094)	(7,771,682)	(15,532,751)	(1,216,970)	(1,820,066)	(31,179,830)
Net book value	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	16,560,934	31,609,998
Year ended December 31, 2023									
Opening net book value	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	16,560,934	31,609,998
Additions	-	117,028	579,444	9,000	3,782,922	25,691,500	-	-	30,179,894
Disposals									
Cost	-	-	-	-	-	1,961,803	-	-	1,961,803
Accumulated depreciation	-	-	-	-	-	(1,569,442)	-	-	(1,569,442)
	-	-	-	-	-	392,361	-	-	392,361
Depreciation charge for the year	(385,920)	(124,349)	(152,281)	(45,267)	(2,460,132)	(1,840,446)	-	(2,757,156)	(7,765,551)
Closing net book value	2,230,508	978,867	1,305,937	81,733	5,727,287	29,503,870	-	13,803,778	53,631,980
As at December 31, 2023									
Cost	3,859,221	1,906,847	3,136,061	1,241,094	15,959,101	45,307,625	1,216,970	18,381,000	91,007,919
Accumulated depreciation	(1,628,713)	(927,980)	(1,830,124)	(1,159,361)	(10,231,814)	(15,803,755)	(1,216,970)	(4,577,222)	(37,375,939)
Net book value	2,230,508	978,867	1,305,937	81,733	5,727,287	29,503,870	-	13,803,778	53,631,980
Depreciation rate % per annum	10	10	10	20	33	20	33	20	

4.2 Capital work-in-progress

	2024	2023
	Rupees	
Advance to suppliers	7,267,700	10,366,000

4.2.1 The movement in capital work-in-progress is as follows:

	2024	2023
Balance as at beginning of the year	10,366,000	-
Additions during the year	7,267,700	10,366,000
Transfers to property and equipment	(10,316,000)	-
Reclassed during the year	(50,000)	-
Balance at the end of the year	7,267,700	10,366,000

4.3 The aggregate net book value of disposals was not in excess of Rs. 5 million during the year ended December 31, 2024.

4.4 The cost and accumulated depreciation in respect of fully depreciated assets still in Company's use as at December 31, 2024 amounted to Rs. 21.347 million and Rs. 19.087 million (2023: Rs. 24.537 million and Rs. 21.742 million) respectively.

4.5 The depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		Rupees	
Cost of services	24	8,861,700	4,348,709
Administrative and general expenses	25	6,400,023	3,416,842
		15,261,723	7,765,551

5 INTANGIBLE ASSETS

	Note	2024	2023
Intangibles	5.1	13,517,780	14,086,735
Capital work-in-progress	5.2	1,514,571	1,435,331
		15,032,351	15,522,066

5.1 Intangibles

	2024				
	Membership card (note 5.3)	Computer software	Club membership	Trading Rights Entitlement Certificate (TREC) (note 5.4)	Total
	Rupees				
As at January 1, 2024					
Cost	250,000	16,941,379	2,000,000	14,999,000	34,190,379
Accumulated amortisation / impairment	-	(14,103,644)	(2,000,000)	(4,000,000)	(20,103,644)
Net book value	250,000	2,837,735	-	10,999,000	14,086,735
Year ended December 31, 2024					
Opening net book value	250,000	2,837,735	-	10,999,000	14,086,735
Amortisation for the year	-	(568,955)	-	-	(568,955)
Closing net book value	250,000	2,268,780	-	10,999,000	13,517,780
As at December 31, 2024					
Cost	250,000	16,941,379	2,000,000	14,999,000	34,190,379
Accumulated amortisation / impairment	-	(14,672,599)	(2,000,000)	(4,000,000)	(20,672,599)
Net book value	250,000	2,268,780	-	10,999,000	13,517,780
Amortisation rate % per annum		10 - 33.33	50		

	2023				
	Membership card (note 5.3)	Computer software	Club membership	Trading Rights Entitlement Certificate (TREC) (note 5.4)	Total
	Rupees				
As at January 1, 2023					
Cost	250,000	16,941,379	2,000,000	14,999,000	34,190,379
Accumulated amortisation / impairment	-	(13,514,277)	(2,000,000)	(4,000,000)	(19,514,277)
Net book value	250,000	3,427,102	-	10,999,000	14,676,102
Year ended December 31, 2023					
Opening net book value	250,000	3,427,102	-	10,999,000	14,676,102
Additions	-	-	-	-	-
Amortisation for the year	-	(589,367)	-	-	(589,367)
Closing net book value	250,000	2,837,735	-	10,999,000	14,086,735
As at December 31, 2023					
Cost	250,000	16,941,379	2,000,000	14,999,000	34,190,379
Accumulated amortisation / impairment	-	(14,103,644)	(2,000,000)	(4,000,000)	(20,103,644)
Net book value	250,000	2,837,735	-	10,999,000	14,086,735
Amortisation rate % per annum		10 - 33.33	50		

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		2024	2023
5.2	**Capital work-in-progress**	---------------Rupees---------------	
	Advance to suppliers	1,514,571	1,435,331

5.3 This represents membership card of Pakistan Mercantile Exchange Limited as the Company is a member of Pakistan Mercantile Exchange Limited as explained in note 1.1.

5.4 This represents Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited pursuant to the promulgation of Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012.

5.5 The cost and accumulated amortisation in respect of fully amortised intangible assets still in Company's use as at December 31, 2024 amounted to Rs. 11.219 million (2023: Rs. 11.219 million).

		Note	2024	2023
5.6	**The amortisation charge for the year has been allocated as follows:**		---------------Rupees---------------	
	Cost of services	24	318,615	330,046
	Administrative and general expenses	25	250,340	259,321
			568,955	589,367

6 LONG TERM INVESTMENTS

	Note	2024	2023
Financial assets at 'fair value through other comprehensive income'			
- Quoted equity securities	6.1 & 6.2	44,481,946	16,173,796

6.1

Company name	Number of shares				Percentage of equity held	Carrying value as at December 31, 2024	Market value as at December 31, 2024	Unrealised gain on remeasurement for the year
	As at January 1, 2024	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2024		---------Rupees---------		
Pakistan Stock Exchange Limited (PSX)	1,602,953	-	-	1,602,953	0.20%	16,173,796	44,481,946	28,308,150
Total as at December 31, 2024						16,173,796	44,481,946	28,308,150
Total as at December 31, 2023						12,951,860	16,173,796	3,221,936

6.2 The shares of PSX were allotted to the Company pursuant to the promulgation of Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. As at December 31, 2024, 1,602,953 shares (2023: 1,602,953 shares) were pledged with CDC in order to comply with the Base Minimum Capital requirement prescribed by the PSX.

		Note	2024	2023
7	**LONG TERM DEPOSITS**		--------------- Rupees ---------------	
	Deposits with:			
	National Clearing Company of Pakistan Limited		100,000	100,000
	Pakistan Mercantile Exchange Limited		750,000	750,000
	NCEL Building Management (Private) Limited	7.1	2,500,000	2,500,000
	Pakistan Stock Exchange Limited	7.2	10,975,000	17,775,000
	Others		4,664	4,664
			14,329,664	21,129,664

7.1 This represents deposit given to NCEL Building Management (Private) Limited for acquiring office premises.

7.2 This represents amount deposited with Pakistan Stock Exchange Limited (PSX) on account of Base Minimum Capital requirement prescribed by PSX and is in addition to the shares of PSX as mentioned in note 6.2 to these financial statements. This deposit carries mark-up / interest at the rate of 14.21% (2023: 18.6%) per annum.

8	DEFERRED TAX ASSET - NET	Note	2024	2023
			------- Rupees -------	
	Deductible / (taxable) temporary differences arising in respect of:			
	- ECL against trade receivables, accrued mark-up and other receivables	8.1	29,805,314	20,067,971
	- Provision for retirement benefit obligation		50,261	(244,142)
	- Provision for leave encashment		1,373,234	2,012,046
	- Provision for donation		1,285,338	-
	- Provision in respect of Alternate Corporate Tax		-	12,081,988
	- Accelerated tax depreciation		(4,369,616)	(1,197,027)
			28,144,531	32,720,836

8.1 The Company has an aggregate amount of Rs. 416.720 million (2023: Rs. 510.209 million) as at December 31, 2024 in respect of deductible temporary differences arising on ECL against trade receivables, accrued mark-up and other receivables on the same date.

While maintaining that deferred tax on deductible differences (ECL against trade receivables, accrued mark-up and other receivables) provides an opportunity for tax planning and the Company would be able to fully utilise them in the future years, the management has taken a conservative view on the balance of deferred tax recognised as an asset against deductible temporary differences on ECL against trade receivables, accrued mark-up and other receivables in the financial statements of the Company. The Company, nevertheless, retains the right to consider and evaluate on an ongoing basis tax planning opportunities with respect to provision write offs. During the year, the Company has written off ECL amounting to Rs. 93.490 million and has also recorded deferred tax on certain receivables which are expected to be written off in subsequent years. Accordingly, the amount of deferred tax asset recognised against deductible temporary differences is Rs. 29.805 million (2023: Rs. 20.067 million) during the year.

In connection with the above, the management has prepared financial projections which will be approved, along with the financial statements, by the Board of Directors of the Company. These projections involve certain key assumptions underlying the estimation of future taxable profits. The determination of future taxable profits takes into account various assumptions regarding the future business, economic and market conditions. Key assumptions include market share of the Company, average commission rate, growth in market volumes, cost to income ratios, returns on funds deployed, timing of write offs etc. A significant change in the assumptions used may impact the realisability of the deferred tax asset.

		Note	2024	2023
8.2	Movement in deferred tax asset is as follows:		------- Rupees -------	
	Opening deferred tax asset - net		32,720,836	56,856,558
	(Charge) / reversal to the statement of profit or loss			
	ECL against trade receivables, accrued mark-up and other receivables		9,737,343	(28,905,490)
	Provision for retirement benefit obligation		(1,847,953)	(6,685,624)
	Provision for leave encashment		(638,812)	(168,235)
	Provision for donation		1,285,338	-
	Provision in respect of Alternate Corporate Tax		(12,081,988)	12,081,988
	Accelerated tax depreciation		(3,172,589)	(20,435)
			(6,718,661)	(23,697,796)
	Reversal / (charge) to the statement of comprehensive income			
	Provision for retirement benefit obligation		2,142,356	(437,926)
			2,142,356	(437,926)
	Closing deferred tax asset		28,144,531	32,720,836

9	TRADE RECEIVABLES - NET	Note	2024	2023
	Considered good			
	Receivable from clients against purchase of marketable securities and commodity contracts	9.1	40,626,565	26,237,215
	Receivable from National Clearing Company of Pakistan Limited		56,519,106	28,871,692
	Considered doubtful			
	Receivable from clients against purchase of marketable securities and commodity contracts		348,189,398	427,621,747
	Commission receivable		414,265	414,265
	Expected credit loss allowance against trade receivables	9.2	(334,167,273)	(413,599,622)
			14,436,390	14,436,390
			111,582,061	69,545,297

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9.1 This includes amounts due from related parties as under:

	2024	2023
	---------- Rupees ----------	
Key management personnel	1,168	2,349
Other related parties and associated undertakings:		
- IGI Holdings Limited	8	8
- IGI Investments (Pvt.) Limited	-	18,726
- IGI Life Insurance Limited	71,299	71,979
- Packages Limited	-	63,473
- Henna Babar Ali	8,369,839	-
- Others	1,582	3,566
	8,443,896	160,101

9.1.1 The aging analysis of amounts due from related parties is disclosed in note 33.3.2 to the financial statements.

9.2 Expected credit loss allowance against trade receivables

	Note	2024	2023
		---------- Rupees ----------	
Opening balance		413,599,622	579,311,198
Charge for the year		-	-
Written off during the year	9.2.3	(79,432,349)	(165,711,576)
Reversal during the year		-	-
		(79,432,349)	(165,711,576)
Closing balance	9.2.1	334,167,273	413,599,622

9.2.1 This includes ECL of Rs. 4.404 million (2023: Rs. 4.404 million) in respect of related parties.

9.2.2 ECL against trade receivables has been made after considering the market value of listed equity securities amounting to Rs. 75.407 million (2023: Rs. 57.553 million) held in custody by the Company against respective customers accounts.

9.2.3 The management has decided to write off ECL against certain debtors amounting to Rs. 79.432 million (2023: Rs. 147.656 million) against whom legal proceedings have been still going on.

9.3 Aging analysis

	Gross Amount	Expected Credit Loss Allowance	Net Amount
	---------- Rupees ----------		
Upto 5 days	76,580,941	-	76,580,941
More than 5 but upto 14 days	7,481,876	-	7,481,876
More than 14 but upto 30 days	1,666,649	-	1,666,649
More than 30 but upto 60 days	974,260	-	974,260
More than 60 but upto 90 days	319,226	-	319,226
More than 90 days	358,726,382	334,167,273	24,559,109
	445,749,334	334,167,273	111,582,061

9.4 Customer assets

	Note	2024	2023
		---------- Rupees ----------	
Central Depository System	9.4.1	13,026,185,620	7,833,169,277

9.4.1 The value of customers' assets held in the Central Depository System by the Company and maintained in the Company's sub-accounts as at December 31, 2024 amounts to Rs. 13,026.186 million (2023: Rs. 7,833.169 million).

10 ADVANCES

	Note	2024	2023
		---------- Rupees ----------	
Considered good			
Advances to employees	10.1	774,214	295,149
Advance to supplier		853,500	904,200
		1,627,714	1,199,349

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10.1 The advances to employees are given to meet personal and travelling expenses. These are granted to employees of the Company in accordance with their terms of employment and are recovered through deductions from salaries / against expense settlements.

		Note	2024	2023
11	**DEPOSITS AND PREPAYMENTS**		------- Rupees -------	
	Pakistan Stock Exchange Limited		357,923	357,923
	Exposure deposits with National Clearing Company of Pakistan Limited / Pakistan Stock Exchange Limited	11.1	556,727,377	179,545,791
	Pakistan Mercantile Exchange Limited - margin deposit		3,029,657	5,753,338
	Security deposits		2,992,050	2,942,050
	Prepayments		5,151,027	2,890,001
			568,258,034	191,489,103

11.1 This represents deposits held at the year end against exposures arising out of trading in securities in accordance with the regulations of the Pakistan Stock Exchange Limited (the Exchange). Interest is earned on the deposit at rates as determined by the Exchange. These deposits carry interest / mark-up at the rate of 12.52% (2023: 18.00%) per annum.

		Note	2024	2023
12	**ACCRUED MARK-UP - NET**		------- Rupees -------	
	Considered good			
	Accrued income on savings accounts and exposure deposits		11,346,986	22,216,904
	Accrued income on BMC deposit		1,042,207	837,105
	Considered doubtful			
	Accrued mark-up income		55,889,873	69,947,808
	Accrued income on other receivables		12,440,328	12,440,328
			68,330,201	82,388,136
	Expected credit loss allowance against accrued mark-up	12.1	(68,330,201)	(82,388,136)
			12,389,193	23,054,009

		Note	2024	2023
12.1	**Expected credit loss allowance against accrued mark-up**			
	Opening balance		82,388,136	82,388,136
	Charge for the year		-	-
	Written off during the year	12.1.1	(14,057,935)	-
	Reversal during the year		-	-
			(14,057,935)	-
	Balance as at year end		68,330,201	82,388,136

12.1.1 The management has decided to write off ECL against accrued mark-up amounting to Rs. 14.058 million (2023: Nil) against whom legal proceedings have been still going on.

		Note	2024	2023
13	**OTHER RECEIVABLES**		------- Rupees -------	
	Considered good			
	Receivable from related parties	13.1	3,676,471	2,243,692
	Others		2,221,354	2,812,423
			5,897,825	5,056,115
	Considered doubtful			
	Receivable against overdue reverse repurchase transaction	13.2	13,297,927	13,297,927
	Others		924,141	924,141
			14,222,068	14,222,068
	Expected credit loss allowance against other receivables	13.3	(14,222,068)	(14,222,068)
			5,897,825	5,056,115

13.1 This represents receivable on account of group shared services.

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13.2 This represents receivable against overdue reverse repurchase transaction with another brokerage house. During the financial year ended June 30, 2013, the borrower entered into a settlement agreement with the Company under which it acknowledged its liability to pay Rs. 114 million and the related mark-up and also paid Rs. 50 million against the release of certain shares held as collateral. The outstanding balance as at the previous reporting period was secured against certain shares listed on PSX and ten shops located at Fortress Stadium, Lahore. During the year ended June 30, 2015, these collaterals were sold by the Company. The remaining balance of Rs. 13.298 million is unsecured and has been fully provided.

13.3 Expected credit loss allowance against other receivables

	2024	2023
	Rupees	
Opening balance	14,222,068	39,804,683
Charge for the year	-	-
Written off during the year	-	(25,582,615)
Reversal during the year	-	-
	-	(25,582,615)
Balance as at year end	14,222,068	14,222,068

13.4 The aging analysis of other receivables from related parties is disclosed in note 33.3.2 to the financial statements.

14 SHORT TERM INVESTMENTS

14.1 Market Treasury Bills - at amortised cost

Tenor	Issue date	Maturity date	As at January 1, 2024	Purchased during the year	Disposed / matured during the year	As at December 31, 2024	Carrying value as at December 31, 2024
			(Face value)				Rupees
12 months	19-Oct-23	17-Oct-24	110,400,000	-	110,400,000	-	-
Total - December 31, 2024							-
Total - December 31, 2023							94,532,993

15 BANK BALANCES

	Note	2024	2023
		Rupees	
Cash at banks in:			
Current accounts		50,238,379	9,973,680
Savings accounts	15.1	1,718,077,234	3,073,068,618
	15.2	1,768,315,613	3,083,042,298

15.1 These savings accounts carry mark-up at the rates ranging from 5.87% to 13.50% (2023: 11.01% to 21.25%) per annum.

15.2 This includes an amount of Rs. 1,672.313 million (2023: Rs. 2,901.228 million) representing clients' funds.

16 SHARE CAPITAL

16.1 Authorised share capital

2024	2023		2024	2023
Number of shares			Rupees	
		Ordinary shares		
80,500,000	80,500,000	Ordinary shares of Rs. 10 each	805,000,000	805,000,000
		Preference shares		
49,500,000	49,500,000	Preference shares of Rs. 10 each	495,000,000	495,000,000

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16.2 **Issued, subscribed and paid up capital**

16.2.1

2024	2023		2024	2023
----- Number of shares -----			--------------- Rupees --------------	
		Ordinary shares		
52,000,000	52,000,000	Ordinary shares of Rs. 10 each fully paid in cash	520,000,000	520,000,000
		Preference shares		
48,500,000	48,500,000	Preference shares of Rs. 10 each fully paid in cash	485,000,000	485,000,000

16.2.1.1 **Reconciliation of number of preference shares outstanding**

	2024	2023
	---------- Number of shares ----------	
Preference shares		
Number of shares outstanding at the beginning of the year	48,500,000	-
Issued against advance	-	48,500,000
Number of shares outstanding at the end of the year	48,500,000	48,500,000

16.2.1.2 Reconciliation of number of ordinary shares has not been shown as there is no movement during the year.

17 **SURPLUS ON REMEASUREMENT OF FINANCIAL ASSETS - NET**	Note	2024	2023
		--------------- Rupees --------------	
Opening surplus on remeasurement of investments classified as financial assets 'at fair value through other comprehensive income'		16,173,396	12,951,460
Unrealised gain recognised during the year	6.1	28,308,150	3,221,936
Closing surplus on remeasurement of investments classified as financial assets 'at fair value through other comprehensive income'		44,481,546	16,173,396

18 **RETIREMENT BENEFIT OBLIGATIONS - NET**

18.1 **DEFINED BENEFIT PLAN - GRATUITY FUND**

The Company operates an approved funded gratuity fund for all eligible employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity scheme is governed under the Sindh Trusts Act, 2020, Trust Deed, Rules of the Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

18.1.1 The Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investments.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

The Company manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

18.1.2 Principal actuarial assumptions

Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2024. The information provided in notes has been obtained from the actuarial valuation carried out as at December 31, 2024. The following significant assumptions have been used for valuation of this scheme:

	2024	2023
Discount rate used for year end obligation	12.25%	15.50%
Expected rate of increase in salary level		
- For next year	15.00%	14.50%
- For subsequent years	11.25%	14.50%
Mortality rates	SLIC 2001 - 2005	SLIC 2001 - 2005

18.1.3 Amounts recognised in the statement of financial position

	Note	2024	2023
		Rupees	
Present value of defined benefit obligation	18.1.4	47,778,685	31,117,496
Less: fair value of plan assets	18.1.5	(47,616,158)	(31,965,178)
Balance sheet liability / (asset)		162,527	(847,682)

18.1.4 Movement in the present value of defined benefit obligation

	2024	2023
Opening	31,117,496	25,242,710
Current service cost	3,285,734	2,852,326
Past service cost	699,770	-
Interest cost	4,812,716	3,176,200
Remeasurement loss		
- due to changes in demographic assumptions	755,639	-
- due to changes in financial assumptions	1,169,765	318,505
- due to changes in experience adjustments	6,072,994	2,070,538
Benefits paid	(135,429)	(2,542,783)
Closing	47,778,685	31,117,496

18.1.5 Movement in fair value of plan assets

	2024	2023
Opening	31,965,178	-
Contributions	9,068,717	30,598,402
Interest income on plan assets	5,646,932	-
Benefits paid	(135,429)	(2,542,783)
Return on plan assets	1,070,760	3,909,559
Closing	47,616,158	31,965,178

18.1.6 Movement in net liability / (asset) in the statement of financial position

	Note	2024	2023
Opening		(847,682)	25,242,710
Expense for the year	18.1.7	3,151,288	6,028,526
Remeasurements chargeable in other comprehensive income	18.1.8	6,927,638	(1,520,516)
Contributions		(9,068,717)	(30,598,402)
Closing		162,527	(847,682)

18.1.7 Amount recognised in the statement of profit or loss

	2024	2023
Current service cost	3,285,734	2,852,326
Past service cost	699,770	-
Interest cost	4,812,716	3,176,200
Interest income on plan assets	(5,646,932)	-
	3,151,288	6,028,526

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18.1.8 Remeasurement loss / (gain) recognised in the statement of comprehensive income

	2024	2023
	------ Rupees ------	
Actuarial loss from changes in demographic assumptions	755,639	-
Actuarial loss from changes in financial assumptions	1,169,765	318,505
Experience adjustments	6,072,994	2,070,538
Return on plan assets	(1,070,760)	(3,909,559)
	6,927,638	(1,520,516)

18.1.9 Sensitivity analysis

The impact of 1% change in the following variables on defined benefit obligation is as follows:

	Change in assumption	As at December 31, 2024 Impact on defined benefit obligation (Decrease) / increase in present value of defined benefit obligation		As at December 31, 2023 Impact on defined benefit obligation (Decrease) / increase in present value of defined benefit obligation	
		%	Amount (Rupees)	%	Amount (Rupees)
Discount rate	+1%	-8.68%	(4,146,476)	-3.16%	(797,674)
	-1%	9.85%	4,706,528	2.72%	847,521
Long term salary increase rate	+1%	10.01%	4,780,924	3.16%	984,330
	-1%	-8.97%	(4,285,524)	-3.03%	(941,911)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

18.1.10 Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 5.398 million in the financial statements in respect of the funded gratuity scheme for the year ending December 31, 2025.

18.1.11 The weighted average duration of defined benefit obligation is 9 years.

18.1.12 Expected maturity analysis of undiscounted obligation

	Less than a year	Between one to two years	Between two to five years	Over five years	Total
	------ Rupees ------				
Undiscounted payments	2,833,244	3,290,391	10,437,423	445,343,725	461,904,783

18.1.13 The information provided in notes 18.1.2 to 18.1.12 has been obtained from the details provided by the actuary of the Company.

18.1.14 Composition of plan assets

	-------December 31, 2024-------		------December 31, 2023------	
	Rupees	Percentage	Rupees	Percentage
Balances with banks	47,616,158	100%	31,965,178	100.00%

18.2 DEFINED CONTRIBUTION PLAN - EMPLOYEES' PROVIDENT FUND

18.2.1 During the year, an amount of Rs. 5.291 million (2023: Rs. 4.349 million) has been charged to the statement of profit or loss in respect of the Company's contributions to the employees' provident fund.

18.2.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

19 LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS

	2024	2023
	------ Rupees ------	
Lease liability against right-of-use asset - motor vehicles	6,921,607	9,117,377
Less: current portion	(2,775,542)	(2,199,110)
	4,146,065	6,918,267

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19.1 The movement in lease liabilities against right-of-use assets is as follows:

	Note	2024	2023
		Rupees	
Opening balance		9,117,377	10,963,705
Interest expense for the year		1,796,089	2,061,836
Interest payments (presented as operating cash flows)		(1,796,089)	(2,061,836)
Payments made during the year		(2,195,770)	(1,846,328)
Closing balance		6,921,607	9,117,377

19.2 Amounts recognised in the statement of profit or loss

	Note	2024	2023
Interest expense on lease liabilities	26	1,796,089	2,061,836
Expense relating to short-term leases (included in cost of service and administrative and general expenses)		10,774,199	8,674,306
Total amount recognised in profit or loss		12,570,288	10,736,142

19.3 Cash outflow for leases

The Company has total cash outflows for leases amounting to Rs. 3.992 million (2023: Rs. 3.908 million). The future cash outflows relating to leases that have not yet commenced are disclosed in note 33.4 to these financial statements.

20 TRADE AND OTHER PAYABLES

	Note	2024	2023
		Rupees	
Payable against sale of marketable securities	20.1	1,732,075,111	2,830,481,586
Payable against profit on unutilised funds	20.2	11,184,083	138,122,662
Payable to related party	20.3	697,061	11,464,148
Accrued expenses	20.4	14,247,927	10,116,638
Provision for leave encashment	20.5	4,440,563	6,985,991
Commission payable		8,650,211	6,088,443
Withholding tax payable		16,952,915	6,524,810
Provision for bonus	20.6	43,000,000	29,500,000
Other payables	20.7	39,206,756	26,158,899
		1,870,454,627	3,065,443,177

20.1 This includes amounts due to related parties and key management personnel amounting to Rs. 1.376 million and Rs. 0.575 million (2023: Rs. 0.541 million and Rs. 4.516 million) respectively.

20.2 This includes profit payable to related parties amounting to Rs. 0.376 million (2023: Rs. 1.879 million).

20.3 This represents amount payable under Group Shared Services (GSS) agreement on account of sharing of common expenses.

20.4 This includes penalty imposed by the Securities and Exchange Commission of Pakistan (the SECP) amounting to Rs 350,000. In 2020, the SECP issued a Show Cause Notice No. 1(181)SMD/ADJ-1/KHI/2019 (the Show Cause Notice) dated January 7, 2020 to the Company in violation of Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018. An Order was passed on March 9, 2020 imposing the aforementioned penalty on the Company. The Company, being aggrieved by the Order, filed a review application under section 32B(1) of the SECP Act, 1997 to the Learned Executive Director, Adjudication Division (AD-1) and appealed to the Commission to reduce / waive off the penalty amount. During the current year, a notice of hearing was received by the Company and the hearing took place on December 17, 2024. Subsequent to the year end, the SECP passed a review order dated February 12, 2025 dismissing the review application filed by the Company and upheld the demand of penalty of Rs. 350,000 imposed initially, which has been duly paid by the Company within the stipulated time.

20.5 Movement in provision for leave encashment is as follows:

	2024	2023
	Rupees	
Opening	6,985,991	8,000,136
Reversal for the year	(2,347,255)	-
Less: payment made during the year	(198,173)	(1,014,145)
Closing	4,440,563	6,985,991

20.5.1 A provision is recognised for expected leave encashment to be paid based on past experience of the leave balance available. Assumptions used to calculate the provision for leave encashment were based on current salary levels and leave balance available.

20.6 Movement in provision for bonus is as follows:

	2024	2023
	----- Rupees -----	
Opening	29,500,000	5,294,273
Charge for the year	42,669,946	29,500,000
Less: payment made during the year	(29,169,946)	(5,294,273)
Closing	43,000,000	29,500,000

20.6.1 A provision for bonus is recognised which is based on the profitability of the Company and management's judgment and estimation.

20.7 This includes insurance expense payable to a related party amounting to Nil (2023: Rs. 0.489 million).

21 CONTINGENCIES AND COMMITMENTS

21.1 During financial year 2013, audit proceedings under section 177 of the Income Tax Ordinance, 2001 in relation to the Tax Year 2010 were concluded by the Deputy Commissioner Inland Revenue (DCIR) which led to an eventual tax demand of Rs. 6.672 million. The DCIR disallowed certain expenses claimed by the Company as well as claim of exempt capital gain on sale of listed securities, treated certain trade debtors as trade creditors and treated the difference between the amount of salaries as per the annual statement filed under section 165 of the Income Tax Ordinance, 2001 and that disclosed in the financial statements as unexplained expenditure. The Company had filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)) against the said demand which was heard by the Commissioner. During the year ended June 30, 2014, the Commissioner passed an order under which the Company had been allowed certain expenses which were disallowed by DCIR in earlier assessment. DCIR had filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the said order. The management also filed a second appeal before ATIR. During the year ended June 30, 2017, ATIR in its Order dated May 31, 2017 had remanded back the matter to DCIR, with a direction to ascertain the true facts of the disallowed matters, rejected the appeal of the tax department and upheld the findings of CIR(A). The findings of CIR(A) included remanding back the matter to DCIR of treating certain trade debtors as trade creditors and of treating the difference in the amount of salaries as unexplained expenditure and allowing appeal of the Company that it was not heard by the DCIR before disallowance of the expenses. The Company has submitted an application to the Deputy Commissioner Inland Revenue to give the appeal effect of these matters at the earliest. The management based on its legal advisor opinion, is confident of a favourable outcome of the petition.

21.2 During the financial year ended June 30, 2012, a brokerage house filed a lawsuit against the Company in the Sindh High Court (SHC) for recovery of Rs. 18.433 million together with mark-up on debit balances outstanding in its books and records on account of various transactions. Initially, the Company had filed a counter affidavit against the application filed by the Complainant to seek an interim order. During the financial year ended June 30, 2013, the Company filed a written Statement in this lawsuit, while the Plaintiff has filed a rejoinder to the counter affidavit filed by the Company. The Company has also filed a lawsuit against the same brokerage house and an ex-official of the Company in the Sindh High Court to recover the outstanding balance appearing in the Company's books of account before provision. The court has issued notices to the defendants. Both the management and the legal counsel are of the view that there is a reasonable probability of the Company's success in both lawsuits.

21.3 During the financial year ended June 30, 2010, one of the customers of the Company filed a lawsuit against the Company before the Sindh High Court for the recovery of Rs. 3.5 million along with damages of Rs. 100 million. The aforementioned lawsuit is counterblast to the Company's suit for recovery of Rs. 0.97 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2010 before the Senior Civil Judge Karachi, South, which was subsequently transferred to the Honorable Sindh High Court at Karachi, on the Company's civil transfer application, moved under section 24 read with section 151 of Civil Procedure Code. Both the management and the legal counsel are of the view that there is a reasonable probability of the Company's success in both lawsuits.

21.4 During the financial year ended June 30, 2010, one of the customers of the Company had filed a lawsuit against the Company in the Court of Senior Civil Judge Karachi, South for the recovery of Rs. 12.6 million along with mark-up thereon. The said lawsuit is counterblast to the Company's suit for recovery of money, declaration and permanent injunction for recovery of Rs. 3.3 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2009 before the Sindh High Court. Both the management and the legal counsel are of the view that there is a reasonable probability of the Company's success in both lawsuits.

21.5 During the year ended June 30, 2009, a brokerage house filed suit before the Honorable Civil Judge, Lahore for declaration and permanent injunction against the Company. The brokerage house filed a contempt petition and a petition under section 33 of the Arbitration Act against the Company before the Honorable Civil Judge, Lahore. Furthermore the brokerage house also filed a civil revision before the Honorable Lahore High Court, Lahore Bench against an order passed by the learned Civil Judge wherein the learned Civil Judge was pleased to dismiss the temporary injunction granted to the brokerage house, the said order was also affirmed in appeal. Further, the Company has filed a suit for recovery for Rs. 53.062 million along with liquidated damages and a petition before National Accountability Bureau (NAB) against the brokerage house. Both the management and legal counsel are of the view that there is a reasonable probability of Company's success in the lawsuit.

21.6 Commitments for operating lease amounts to Rs. 0.094 million (2023: Rs. 0.184 million).

21.7 There were no other material commitments as at December 31, 2024 and December 31, 2023.

		Note	2024	2023
			---------------- Rupees --------------	
22	**OPERATING REVENUE**			
	Brokerage from equity operations	22.1	341,477,773	157,459,008
	Brokerage from commodity operations		3,537,088	1,988,982
	Advisory and consultancy income		5,969,812	-
			350,984,673	159,447,990
22.1	**Brokerage from equity operations**			
	Retail		304,404,780	132,538,051
	Institution		37,072,993	24,920,957
			341,477,773	157,459,008
23	**OTHER OPERATING REVENUE**			
	Profit on savings accounts	23.1	260,304,652	438,472,950
	Income on exposure deposits with NCCPL / Pakistan Stock Exchange Limited		21,268,111	12,363,284
	Dividend income		1,610,012	418
	CDC conversion charges and commission		5,174,219	2,596,224
	Amortisation of discount income		15,706,835	4,048,822
	Income from MTS exposure		504,057	451,432
	Income on Base Minimum Capital deposit		3,063,854	3,344,652
			307,631,740	461,277,782
23.1	**Profit on savings accounts**			
	Gross profit (including profit on unutilised funds of clients)		311,434,919	576,595,612
	Profit on unutilised funds of clients		(51,130,267)	(138,122,662)
	Net profit		260,304,652	438,472,950
24	**COST OF SERVICES**			
	Employee benefit cost	25.2	137,899,022	103,856,416
	Staff training		305,429	92,317
	Commission expense		52,846,780	16,404,592
	Insurance		2,121,231	1,861,225
	Repairs and maintenance		1,286,995	2,158,761
	Rent and rates		7,724,361	6,556,441
	Printing and stationery		705,150	579,309
	Postage and telephone		1,795,638	1,235,418
	Travelling and conveyance		2,068,939	327,311
	IT related expenses		18,631,723	7,849,249
	Utilities		4,613,254	3,479,829
	Fees and subscription including stock exchange, clearing house and CDC charges		23,858,161	10,842,481
	Marketing		12,665,174	164,415
	Entertainment		7,417,288	1,937,327
	Depreciation	4	8,861,700	4,348,709
	Amortisation	5	318,615	330,046
	Others		5,335,047	1,717,334
		25.1	288,454,507	163,741,180

		Note	2024	2023
			------------- Rupees -------------	
25	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Employee benefit cost	25.2	43,207,714	33,355,315
	Staff training		113,755	39,564
	Insurance		1,654,649	1,434,039
	Repairs and maintenance		388,703	1,160,049
	Auditors' remuneration	25.3	3,996,000	4,432,456
	Rent and rates		3,049,838	2,117,865
	Legal and professional charges		6,507,696	3,327,377
	Printing and stationery		437,611	414,018
	Postage and telephone		941,729	611,841
	Travelling and conveyance		411,102	243,030
	IT related expenses		3,367,931	1,688,349
	Utilities		2,182,449	2,192,099
	Entertainment		405,047	306,769
	Depreciation	4	6,400,023	3,416,842
	Amortisation	5	250,340	259,321
	Donation	25.4	10,730,629	-
	Others		5,336,342	1,425,000
		25.1	89,381,558	56,423,934

25.1 Certain common expenses (including salaries, allowances and other benefits, staff training, rentals, utilities, repair and maintenance and IT related expenses) are charged to the Company, which are shown under respective cost of services and administrative and general expenses accounts, in accordance with the Group Shared Services (GSS) Cost Allocation Review Memorandum, between the Company and the Holding Company. During the year, an amount of Rs. 13.130 million (2023: Rs. 13.990 million) was charged in respect of common expenses.

		Note	2024	2023
25.2	**Employee benefit cost**		------------- Rupees -------------	
	Salaries, allowances and other benefits		177,955,448	131,183,205
	Charge for post employment benefits	18.1.7	3,151,288	6,028,526
			181,106,736	137,211,731
25.3	**Auditors' remuneration**			
	Audit fee		2,970,000	2,647,231
	Special certifications and other services		810,000	1,489,800
	Out of pocket expenses		216,000	295,425
			3,996,000	4,432,456

25.4 This includes donation amounting to Rs. 6.138 million (2023: Nil) paid to Packages Foundation (a related party). None of the directors or their spouse have any interest in the Foundation.

		2024	2023
26	**FINANCIAL CHARGES**	------------- Rupees -------------	
	Bank charges	698,569	608,144
	Financial charges on lease liability against right-of-use assets	1,796,089	2,061,836
		2,494,658	2,669,980
27	**OTHER INCOME**		
	Gain on disposal of property and equipment	4,510,226	2,905,819
	Others	304,681	-
		4,814,907	2,905,819

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		Note	2024	2023
28	**LEVY AND TAXATION**		---------------- Rupees --------------	
	Levy	28.2	980,217	731,499
	Current tax			
	Current year		45,333,121	69,565,180
	Prior year		417,846	(78,698)
			45,750,967	69,486,482
	Deferred tax			
	Current year		6,417,459	23,697,796
	Prior year		301,202	-
			6,718,661	23,697,796
		28.1	53,449,845	93,915,777

28.1 Relationship between levy and tax expense with accounting profit

	2024	2023
Profit before levy and taxation	283,100,597	400,796,497
Tax rate (%)	29	29
Tax at enacted tax rate	82,099,173	116,230,984
Tax effect of super tax	4,023,527	4,007,965
Tax effect of income subject to minimum and final tax regime	(3,196,731)	731,499
Tax effect of income subject to separate block of income	1,808,146	-
Tax effect of tax credits	108,956	-
Tax effect of ECL charge against trade receivables, accrued mark-up and other receivables	(35,090,513)	(26,281,724)
Tax effect of adjustments in respect of prior year	719,048	(78,698)
Tax effect of permanent differences	1,314,964	-
Others	1,663,275	(694,249)
	53,449,845	93,915,777

28.2 This represents minimum and final taxes paid under sections 150 and 233 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

		Note	2024	2023
29	**EARNINGS PER SHARE - BASIC**			
	Profit attributable to ordinary shareholders		229,650,752	306,880,720
	Weighted average number of ordinary shares outstanding		52,000,000	52,000,000
	Earnings per share	29.1	4.416	5.902
29.1	**EARNINGS PER SHARE - DILUTED**			
	Profit attributable to ordinary shareholders (diluted)		229,650,752	306,880,720
	Weighted average number of ordinary shares (basic)		52,000,000	52,000,000
	Effect of convertible preference shares		48,500,000	41,324,658
	Weighted average number of ordinary shares outstanding (diluted)		100,500,000	93,324,658
	Earnings per share - diluted		2.285	3.288

		2024	2023
30	**NUMBER OF EMPLOYEES**	---------------- Number --------------	
	Number of employees at the end of the year	58	46
	Average number of employees during the year	51	47

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31 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2024			2023		
	Chief Executive Officer	Director	Other Executives	Chief Executive Officer	Director	Other Executives
	Rupees					
Managerial remuneration	12,087,081	4,802,764	22,850,212	9,669,663	4,549,608	14,765,412
Reimbursements / other allowances	2,651,972	1,428,998	13,690,096	1,380,876	730,928	5,461,088
Bonus	16,619,728	-	18,162,573	13,295,783	781,963	8,292,878
Housing	5,439,184	2,161,249	10,282,677	4,351,347	2,047,320	6,644,472
Utilities	1,208,700	480,276	2,285,038	1,933,929	909,912	3,560,244
Commission	-	-	10,002,391	-	-	945,076
Post-employment benefits	1,208,709	480,276	2,239,569	1,289,290	454,958	1,413,483
	39,215,374	9,353,563	79,512,558	31,920,888	9,474,689	41,082,653
Number of persons	1	1	12	1	1	7

* A portion of the remuneration of the CEO is charged to the Holding Company under Group Shared Services (GSS) agreement. During the year, an amount of Rs. 7.532 million was charged to the Holding Company in this respect.

31.1 The Chief Executive Officer and certain executives of the Company are provided with free use of Company owned and maintained vehicles.

31.2 Two of the directors do not take any remuneration from the Company.

32 RELATED PARTY BALANCES AND TRANSACTIONS

The Company has related party relationships with its Holding Company, associated undertakings, Babar Ali Foundation, directors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly.

The Company in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Amounts due to / from and other significant transactions, other than those as disclosed in notes 9.1, 9.2.1, 13.1, 20.1, 20.2, 20.3, 20.7 and 25.1 are as follows:

	2024			2023		
	Holding Company	Key management personnel	Other related parties and associates	Holding Company	Key management personnel	Other related parties and associates
Nature of transactions	Rupees					
Purchase of marketable securities for and on behalf of	2,342	381,026,431	1,382,027,874	-	164,125,050	4,629,668,085
Sale of marketable securities for and on behalf of	54,361,073	353,386,111	1,890,148,659	-	185,095,655	26,324,644
Brokerage income earned	81,545	1,151,852	5,451,665	-	739,786	7,019,651
Insurance expense paid	-	-	4,735,203	-	-	2,570,466
Insurance claim received	-	-	187,000	-	-	-
GSS reimbursements from	13,130,491	-	5,784,555	13,990,084	-	4,582,893
GSS reimbursements to	338,765	-	24,276,800	-	-	14,713,302
Rent expense	-	-	8,408,994	-	-	8,349,402
Donation paid	-	-	6,137,614	-	-	-
Dividend paid	-	-	14,550,000	-	-	-
Remuneration paid	-	124,152,941	-	-	79,320,499	-
Post employment benefits	-	3,928,554	-	-	3,157,731	-
Contribution paid	-	-	9,068,717	-	-	30,598,402

The maximum aggregate amount due from related parties outstanding during the year with reference to month-end balance aggregated to Rs. 278.507 million (2023: Rs. 646.099 million).

Particulars relating to the remuneration of the Chief Executive Officer and Directors who are key management personnel are disclosed in note 31 to these financial statements.

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32.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Name of related party	Basis of association / relationship	Aggregate % of
1	IGI Holdings Limited	Holding Company	100%
2	IGI General Insurance Limited	Associate	N/A
3	IGI Life Insurance Limited	Associate	N/A
4	IGI Investments (Pvt.) Limited	Associate	N/A
5	Perwin Babar Ali	Other related party	N/A
6	Syed Babar Ali	Other related party	N/A
7	Syed Hyder Ali	Other related party	N/A
8	Syeda Henna Babar Ali	Other related party	N/A
9	Chaudhry Tahir Masaud	Other related party	N/A
10	Shamim Ahmed Khan	Other related party	N/A
11	Amina Hyder Ali	Other related party	N/A
12	Packages Limited	Other related party	N/A
13	Bulleh Shah Packaging (Private) Limited	Other related party	N/A
14	Abdul Wahab Mehdi	Chairman	N/A
15	Syed Raza Hussain Rizvi	Chief Executive Officer	N/A
16	Faisal Jawed Khan	Director	N/A
17	Iqra Sajjad	Director	N/A
18	Hoechst Pakistan Limited	Other related party	N/A
19	Babar Ali Foundation	Other related party	N/A
20	Packages Foundation	Other related party	N/A
21	Packages Convertors Limited	Other related party	N/A
22	Finex Securities Limited - Staff Gratuity Fund	Other related party	N/A
23	IGI Finex Securities Limited Employees - Provident Fund	Other related party	N/A

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Financial instruments by category

	2024		
	At amortised cost	At fair value through other comprehensive income	Total
Financial assets	---------- Rupees ----------		
Non-current assets			
Long term investments	-	44,481,946	44,481,946
Long term deposits	14,329,664	-	14,329,664
	14,329,664	44,481,946	58,811,610
Current assets			
Trade receivables - net	111,582,061	-	111,582,061
Deposits	563,107,007	-	563,107,007
Accrued mark-up - net	12,389,193	-	12,389,193
Other receivables	5,817,319	-	5,817,319
Bank balances	1,768,315,613	-	1,768,315,613
	2,461,211,193	-	2,461,211,193
	2,475,540,857	44,481,946	2,520,022,803

	2024	
	At amortised cost	Total
Financial liabilities	---------- Rupees ----------	
Trade and other payables	1,853,501,712	1,853,501,712
Lease liabilities against right-of-use assets	6,921,607	6,921,607
	1,860,423,319	1,860,423,319

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Financial assets	2023 At amortised cost	2023 At fair value through other comprehensive income	2023 Total
	---------- Rupees ----------		
Non-current assets			
Long term investments	-	16,173,796	16,173,796
Long term deposits	21,129,664	-	21,129,664
	21,129,664	16,173,796	37,303,460
Current assets			
Trade receivables - net	69,545,297	-	69,545,297
Deposits	188,599,102	-	188,599,102
Accrued mark-up - net	23,054,009	-	23,054,009
Other receivables	5,015,004	-	5,015,004
Short term investments	94,532,993	-	94,532,993
Bank balances	3,083,042,298	-	3,083,042,298
	3,463,788,703	-	3,463,788,703
	3,484,918,367	16,173,796	3,501,092,163

Financial liabilities	2023 At amortised cost	2023 Total
	---------- Rupees ----------	
Trade and other payables	3,058,918,367	3,058,918,367
Lease liability against right-of-use assets	9,117,377	9,117,377
	3,068,035,744	3,068,035,744

33.2 Financial risk management

The Board of Directors of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

33.3 Credit risk

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

Exposure to credit risk

Credit risk of the Company arises principally from long-term deposits, trade receivables, deposits, accrued mark-up, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes expected credit loss allowance against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. Except for expected credit loss allowance made against trade debts amounting to Rs. 334.167 million (refer note 9.2), expected credit loss allowance made against accrued mark-up amounting to Rs. 68.330 million (refer note 12.1) and expected credit loss allowance made against other receivables amounting to Rs. 14.222 million (refer note 13.3), the Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	------------- Rupees -------------	
Long term deposits	14,329,664	21,129,664
Trade receivables - net	111,582,061	69,545,297
Deposits	563,107,007	188,599,102
Accrued mark-up - net	12,389,193	23,054,009
Other receivables	5,817,319	5,015,004
Bank balances	1,768,315,613	3,083,042,298
	2,475,540,857	3,390,385,374

33.3.1 The aging for trade receivables, accrued mark-up and other receivables at the reporting date is as follows:

	2024			2023		
	Gross	Expected Credit Loss Allowance	Net	Gross	Expected Credit Loss Allowance	Net
	----- Rupees -----					
Past due 1 day - 30 days	99,066,343	-	99,066,343	66,563,545	-	66,563,545
Past due 31 days - 60 days	982,624	-	982,624	820,333	-	820,333
Past due 61 days - 90 days	1,723,119	-	1,723,119	2,151,618	-	2,151,618
More than 90 days	444,816,535	(416,719,542)	28,096,993	538,061,847	(510,209,826)	27,852,021
	546,588,621	(416,719,542)	129,869,079	607,597,343	(510,209,826)	97,387,517

The expected credit loss allowance in respect of above receivables have been made on debt amount exceeding the custody of equity securities held by the Company.

33.3.2 The aging for trade receivables and other receivables from related parties, past due but not impaired, at the reporting date is as follows:

	2024			2023		
	Gross	Expected Credit Loss Allowance	Net	Gross	Expected Credit Loss Allowance	Net
	----- Rupees -----					
Trade receivables						
Past due 1 day - 30 days	8,370,184	-	8,370,184	50,750	-	50,750
Past due 31 days - 60 days	42	-	42	2,349	-	2,349
Past due 61 days - 90 days	-	-	-	5,002	-	5,002
More than 90 days	4,477,346	(4,403,676)	73,670	4,505,785	(4,403,785)	102,000
	12,847,572	(4,403,676)	8,443,896	4,563,886	(4,403,785)	160,101
Other receivables						
Past due 1 day - 30 days	1,524,096	-	1,524,096	105,783	-	105,783
Past due 31 days - 60 days	8,364	-	8,364	124,740	-	124,740
Past due 61 days - 90 days	969,605	-	969,605	43,648	-	43,648
More than 90 days	1,174,406	-	1,174,406	1,969,521	-	1,969,521
	3,676,471	-	3,676,471	2,243,692	-	2,243,692

33.3.3 Bank balances

The analysis below summarises the credit quality of the Company's bank balances:

	2024	2023
	------------- Rupees -------------	
AAA	1,456,984,911	1,974,958,947
AA+	51,553,100	52,215,911
A+	10,000	-
AA-	259,356,439	1,055,524,082
Unrated	411,163	343,358
	1,768,315,613	3,083,042,298

33.3.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

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Details of the industrial sector analysis of the trade receivables are as follows:

	2024		2023	
	Rupees	Percentage	Rupees	Percentage
Services (including insurance)	2,497,774	4.54%	3,395,174	8.35%
Banking, capital market and financial institutions	10,008,034	18.17%	6,680,643	16.42%
Individuals	42,557,147	77.29%	30,597,788	75.23%
	55,062,955	100.00%	40,673,605	100.00%

33.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2024				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
Financial liabilities			Rupees		
Trade and other payables	1,853,501,712	1,853,501,712	1,853,501,712	-	-
Lease liability against right-of-use assets	6,921,607	8,715,562	991,446	2,974,338	4,749,778
	1,860,423,319	1,862,217,274	1,854,493,158	2,974,338	4,749,778

	2023				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
Financial liabilities			Rupees		
Trade and other payables	3,058,918,367	3,058,918,367	3,058,918,367	-	-
Lease liability against right-of-use assets	9,117,377	12,886,590	1,006,506	3,019,518	8,860,566
	3,068,035,744	3,071,804,957	3,059,924,873	3,019,518	8,860,566

On the reporting date, the Company has bank balances of Rs. 1,768.316 million (2023: Rs 3,083.042 million) as mentioned in note 15 to these financial statements.

33.5 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument. The management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

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

33.5.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

33.5.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate exposure arises from bank balances in savings accounts.

At the reporting date, the interest rate risk profile of the Company's interest bearing financial instruments is:

	2024	2023	2024	2023
	Effective interest rate		Carrying amount	
Financial assets	---------------- Percentage ----------------		---------------- Rupees ----------------	
Exposure deposits with National Clearing Company of Pakistan Limited / Pakistan Stock Exchange Limited	12.52	18	556,727,377	179,545,791
Base minimum capital deposit with Pakistan Stock Exchange Limited	14.21	18.6	10,975,000	17,775,000
Bank balances in savings accounts	5.87 to 13.50	11.01 to 21.25	1,718,077,234	3,073,068,618
Total			2,285,779,611	3,270,389,409

The management of the Company estimates that a 1% decrease in the market interest rate, with all factors remaining constant, would decrease the Company's profit for the year before taxation by Rs. 22.858 million (2023: Rs. 32.704 million) and a 1% increase would result in an increase in the Company's profit before tax by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

33.5.3 Price risk

Price risk is 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 exposed to price risks because of investments held by the Company in shares of Pakistan Stock Exchange. In case of 1% increase / decrease in the market price of the shares held, the other comprehensive income of the Company would be higher / lower by approximately Rs. 0.445 million (2023: Rs. 0.162 million).

33.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

34 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2024 and December 31, 2023, the Company held the following financial instruments measured at fair values:

	2024		
	Level 1	Level 2	Level 3
	Rupees		
Financial assets			
- At fair value through other comprehensive income	44,481,946	-	-

	2023		
	Level 1	Level 2	Level 3
	Rupees		
Financial assets			
- At fair value through other comprehensive income	16,173,796	-	-

35 CAPITAL RISK MANAGEMENT

35.1 The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital. Net capital requirements of the Company are set and regulated by the Pakistan Stock Exchange Limited. These requirements are put into place to ensure sufficient solvency margins and are based on excess of current assets over liabilities as presented below.

NET CAPITAL BALANCE	Note	2024	2023
		Rupees	
Current assets			
Cash in hand		-	-
Cash deposit as margin with Pakistan Stock Exchange	35.1.1	556,323,840	179,421,915
Cash at bank:	35.1.2		
Bank balance pertaining to brokerage house		96,002,224	181,814,972
Bank balance pertaining to clients		1,672,313,389	2,901,227,326
Total bank balances		1,768,315,613	3,083,042,298
Trade receivables:	35.1.3		
Total receivables		55,062,955	40,599,820
Outstanding for more than fourteen days		(27,519,244)	(25,766,277)
Balance generated within fourteen days and not yet due		27,543,711	14,833,543
Investments in listed securities in the name of broker		-	-
(Securities on the exposure list marked to market less 15% discount)			
Securities purchased for client		-	-
Listed TFCs / Corporate bonds (Marked to market less 10% discount)		-	-
FIBs (Marked to market less 10% discount)		-	-
Treasury bill (at market value)		-	94,408,050
		2,352,183,164	3,371,705,806

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	Note	2024	2023
		---------------- Rupees --------------	
Current liabilities			
Trade payables:	35.1.4		
Book value		1,732,075,111	2,830,481,586
Less: overdue for more than 30 days		(397,577,557)	(2,386,026,888)
		1,334,497,554	444,454,698
Other liabilities (including trade payables overdue for more than 30 days)	35.1.5	482,213,509	2,594,315,897
		1,816,711,063	3,038,770,595
Net capital balance		535,472,101	332,935,211

35.1.1 Cash deposit as margin with Pakistan Stock Exchange Limited (PSX)

	2024	2023
Deposit with PSX - ready exposure	517,505,950	167,059,225
Deposit with PSX - future exposure	34,362,200	9,407,000
Deposit with PSX - MTS exposure	4,455,690	2,955,690
	556,323,840	179,421,915

35.1.2 Cash at bank

	2024	2023
Bank balances pertaining to brokerage house		
- current accounts - non interest bearing	9,430,398	3,259,958
- savings accounts	86,571,826	178,555,014
	96,002,224	181,814,972
Bank balances pertaining to clients		
- current accounts - non interest bearing	40,807,981	6,713,722
- savings accounts	1,631,505,408	2,894,513,604
	1,672,313,389	2,901,227,326
Total cash at bank	1,768,315,613	3,083,042,298

35.1.3 Trade receivables

	Note	2024	2023
Considered good			
Receivable from clients against purchase of marketable securities		40,626,565	26,202,358
Considered doubtful			
Receivable from clients against purchase of marketable securities		348,603,663	428,036,012
Expected credit loss allowance against trade receivables	35.1.3.1	(334,167,273)	(413,599,622)
		14,436,390	14,436,390
		55,062,955	40,638,748

35.1.3.1 ECL against trade receivables has been made after considering the market value of listed equity securities held in custody by the Company against respective customers accounts.

35.1.4 Trade and other payables

	2024	2023
	---------------- Rupees --------------	
Trade payables over due within 30 days	1,334,497,554	444,454,698
Trade payables over due for more than 30 days	397,577,557	2,386,026,888
	1,732,075,111	2,830,481,586

35.1.5 Other liabilities essentially include payable against profit on unutilised funds, accrued expenses, withholding tax payable, provision for leave encashment, provision for bonus and other payables.

35.2 The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company finances its operations through equity (including preference shares) and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

36 LIQUID CAPITAL BALANCE

S. No.	Head of account	Value in Pak Rupees	Hair cut / adjustments	Net adjusted value
		Rupees		Rupees
	1. Assets			
1.1	Property & equipment	84,517,136	100%	-
1.2	Intangible assets	15,032,351	100%	-
1.3	Investment in government securities	-	-	-
1.4	**Investment in debt securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15%	-
1.5	**Investment in equity securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital)	44,481,946	100%	-
	ii. If unlisted, 100% of carrying value.	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
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.	-	100%	-
	Statutory or regulatory deposits / basic deposits with the exchanges, clearing house or central depository or any other entity.			
1.8	100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of Base Minimum Capital may be taken in the calculation of LC.	17,359,321	100%	7,832,891
1.9	Margin deposits with exchange and clearing house.	556,727,377	-	556,727,377
1.10	Deposit with authorised intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	8,501,000	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	12,389,193	-	12,389,193
	100% in respect of mark-up accrued on loans to directors, subsidiaries and other related parties	-	100%	-
1.13	Dividends receivable	-	-	-
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**			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	89,872,539	-	89,872,539
	(iii) In all other cases, 100% of net value.	7,757,176	100%	-

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S. No.	Head of account	Value in Pak Rupees	Hair cut / adjustments	Net adjusted value
		Rupees		Rupees
1.16	**Receivables from clearing house or securities exchange(s)** 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	56,519,106	-	56,519,106
1.17	**Receivables from customers** i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut; i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value; ii. Net amount after deducting haircut.	-	5%	-
	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.	11,691,651	-	11,691,651
	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.	19,975,765	864,808,058	19,975,765
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable; vi. Lower of net balance sheet value or value determined through adjustments.	8,443,896	74,160,541	8,370,184
1.18	**Cash and bank balances**			
	i. bank balance - proprietary accounts	96,002,224	-	96,002,224
	ii. bank balance - customer accounts	1,672,313,389	-	1,672,313,389
	iii. cash in hand	-	-	-
1.19	**Subscription money against investment in IPO / offer for sale (asset)**			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on right shares.	-	-	-
1.20	**Total assets**	**2,701,584,070**		**2,531,694,319**

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S. No.	Head of account	Value in Pak Rupees	Hair cut / adjustments	Net adjusted value
		Rupees		Rupees
	2. Liabilities			
2.1	**Trade payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,732,075,111	-	1,732,075,111
2.2	**Current liabilities**			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	138,379,516	-	138,379,516
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	2,775,542	-	2,775,542
	vi. Deferred liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-current liabilities**			
	i. Long-term financing	4,146,065	100%	-
	ii. Staff retirement benefits	162,527	-	162,527
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	**Subordinated loans**			
	i. 100% of subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-
2.5	**Advance against shares for increase in capital of securities broker:**			
	100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorised share capital allows the proposed enhanced share capital	-	-	-
	b. Board of Directors of the company has approved the increase in capital	-	-	-
	c. Relevant Regulatory approvals have been obtained	-	-	-
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.	-	-	-
	e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total liabilities**	**1,877,538,761**		**1,873,392,696**
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 finances exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
3.2	**Concentration in 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 (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-

Ареl

S. No.	Head of account	Value in Pak Rupees Rupees	Hair cut / adjustments	Net adjusted value Rupees
3.3	**Net underwriting commitments** (a) in the case of right issues: 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 issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment.	-	-	-
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary** The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceeds the total liabilities of the subsidiary.	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions** 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-
3.6	Amount payable under REPO	-	-	-
3.7	**Repo adjustment** In the case of financier / purchaser the total amount receivable under Repo less the 110% of the market value of underlying 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.	-	-	-
3.8	**Concentrated proprietary positions** If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	-	-	-
3.9	**Opening positions in futures and options** i. In case of customer positions, the total margin 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	-	-	-
3.10	**Short sell positions** i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary 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**	-		-
		824,045,309	**Liquid Capital**	658,301,623

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		Note	2024	2023
37	**CAPITAL ADEQUACY LEVEL**		---------- Rupees ----------	
	Total assets	37.1	2,733,681,244	3,692,079,417
	Less: Total liabilities		(1,877,538,761)	(3,074,560,554)
	Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
	Capital Adequacy Level		856,142,483	617,518,863

37.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate is considered, which was determined as Nil, for IGI Finex Securities Limited as at December 31, 2024 by Pakistan Stock Exchange Limited.

38 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

a) The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain losses if the market value of the security is different from the contracted value of the transaction less any margin deposits that the Company has on hand. Where the customer operates through institutional delivery system, the Company is not exposed to this risk.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers and other financial institutions. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

b) The Company enters into security transactions on behalf of its customers involving future settlement. The Company has entered into transactions that gives rise to future settlement, the unsettled amount as on December 31, 2024 of these future transactions is Nil (2023: Rs. 28.398 million). Transactions involving future settlement give rise to market risk, which represents the potential loss that can be caused by a change in the market value of a particular financial instrument. The credit risk for these transactions is limited to the unrealised market valuation losses which have been recorded in the statement of accounts of the customers. As explained above, credit risk is controlled through a variety of reporting and controls procedures.

39 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company have proposed a final dividend pertaining to preference shareholders for the year ended December 31, 2024 of Rs. 0.03 per share amounting to Rs. 14,550,000/- at their meeting held on March 19, 2025 for approval of members at the Annual General Meeting to be held on April 15, 2025. These financial statements do not reflect this dividend payable.

40 GENERAL

40.1 Date of authorisation

These financial statements were authorised for issue on March 19, 2025 by the Board of Directors of the Company. The directors have the power to amend and re-issue the financial statements.

40.2 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

40.3 Comparative information has been reclassified, rearranged or additionally incorporated in these financial statements for the purpose of better presentation. There were no material reclassifications during the year.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

IGI Finex Securities Limited
Pattern of holding of the shares held by the Shareholders as at December 31, 2024.
The Companies Act, 2017 (Section 227 (2) (f)

Number of Shareholders	Shareholdings' Slab			Total Shares Held
4	1	to	4	4
1	5	to	52,000,000	51,999,996
5	Total			52,000,000

S.No.	Categories of Shareholders	Shares held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	4	0.01%
2	Associated Companies, undertakings and related parties.	51,999,996	99.99%
3	NIT and ICP	-	0.00%
4	Banks Development Financial Insititutions, Non Banking Financial Institutions.	-	0.00%
5	Insurance Companies	-	0.00%
6	Modarabas and Mutual Funds	-	0.00%
7	Shareholders holding 10%	51,999,996	99.99%
8	General Public		
	a. Local	-	0.00%
	b. Foreign	-	0.00%
9	Others	-	0.00%
	Total (excluding : share holder holding 10%)	52,000,000	100%

IGI Finex Securities Limited
Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited Corporate member of Pakistan Mercantile Exchange Limited (BRC-020)

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Website: www.igisecurities.com.pk

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IGI Securities

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IGI Finex Securities Limited

Pattern of holding of the shares held by the Shareholders as at December 31, 2024.

The Companies Act, 2017 (Section 227 (2) (f)

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
Directors and their spouse(s) and minor children Names: 1. Syed Abdul Wahab Mehdi 2. Syed Raza Hussain Rizvi 3. Iqra Sajjad 4. Faisal Jawed Khan	Directors	1 1 1 1	0.000001923% 0.000001923% 0.000001923% 0.000001923%
Associated Companies, Undertakings and Related Parties	Nil	-	0%
Executives	Nil	-	0%
Public Sector Companies and Corporations	Nil	-	0%
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	Nil	-	0%
Others	IGI Holdings Limited	51,999,996	99.999992308%
Total		**52,000,000**	**100.000000000%**

Shareholders holding 5% or more

Name	Shares Held	Percentage
IGI Holdings Limited	51,999,996	99.999992308%

IGI
Securities
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STATEMENT OF COMPLIANCE UNDER CLAUSE 9 OF CORPORATE GOVERNANCE CODE FOR SECURITIES BROKERS UNDER REGULATION 16(1)(F)

In compliance of clause 9 of corporate governance code for securities brokers under regulation 16(1)(f) of Securities Brokers (Licensing and Operations) Regulations, 2016, there are no transactions entered into by the Broker during the year, which are fraudulent, illegal or in violation of any securities laws.

Chief Executive Officer

IGI Finex Securities Limited
Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited Corporate member of Pakistan Mercantile Exchange Limited (BRC-020)

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STATEMENT OF COMPLIANCE UNDER CLAUSE 10 OF CORPORATE GOVERNANCE CODE FOR SECURITIES BROKERS UNDER REGULATION 16(1)(F)

In compliance of clause 10 of corporate governance code for securities brokers under regulation 16(1)(f) of Securities Brokers (Licensing and Operations) Regulations, 2016, IGI Finex Securities Limited is in compliance with the requirements of Corporate Governance Code for securities brokers.

Ahsan

Company Secretary

IGI Finex Securities Limited
Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited Corporate member of Pakistan Mercantile Exchange Limited (BRC-020)

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Part of IGI Financial Services

A Packages Group Company