

RAHAT SECURITIES LIMITED
UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2023

RAHAT SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	55,737,883	50,939,986
Intangible assets	5	9,420,000	9,420,000
Long term investment	6	5,087,086	9,006,813
Long term advances	7	13,526,000	16,221,000
Long term deposits	8	2,320,000	2,320,000
		<u>86,090,969</u>	<u>87,907,799</u>
CURRENT ASSETS			
Trade debts	9	9,003,927	3,726,301
Loans and advances	10	82,319	84,966
Investment at fair value through profit or loss	11	74,623,177	53,580,967
Trade deposits, short term prepayments and current account balance with statutory authorities	12	7,595,538	6,185,520
Cash and bank balances	13	177,695,162	33,078,985
		<u>269,000,123</u>	<u>96,656,739</u>
		<u><u>355,091,091</u></u>	<u><u>184,564,538</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	14	110,000,000	110,000,000
Revenue reserve			
Un-appropriated profit		61,004,484	40,223,895
Capital reserve			
Fair value adjustment reserve	15	-	-
		<u>171,004,484</u>	<u>150,223,895</u>
NON CURRENT LIABILITIES			
Deferred taxation	16	-	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	17	360,053	1,186,320
Trade and other payables	18	180,731,554	33,154,323
Loan from directors for purchase of vehicle		2,995,000	-
Provision for taxation		-	-
		<u>184,086,607</u>	<u>34,340,643</u>
CONTINGENCIES AND COMMITMENTS			
	19	-	-
		<u><u>355,091,091</u></u>	<u><u>184,564,538</u></u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
AS AT DECEMBER 31, 2023

		31-Dec 2023	30-Jun 2023
	Note	Rupees	Rupees
Brokerage and commission	20	7,247,826	8,749,870
Capital gain/ (loss) on marketable securities		-	131,825
		7,247,826	8,881,695
Direct cost	21	(978,697)	(1,434,855)
		6,269,129	7,446,840
Operating expenses	22	(6,137,605)	(16,562,214)
Other operating expenses	23	(3,919,727)	(7,687,496)
Other income	24	24,577,405	10,709,049
		14,520,073	(13,540,661)
(LOSS)/PROFIT FROM OPERATIONS		20,789,202	(6,093,821)
Finance cost	25	(8,613)	(21,880)
(LOSS)/PROFIT BEFORE TAXATION		20,780,589	(6,115,701)
Taxation	26	-	(46,935)
(LOSS)/PROFIT FOR THE YEAR		20,780,589	(6,162,636)
EARNINGS PER SHARE - BASIC AND DILUTED	27	1.89	(0.56)

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2023

	31-Dec 2023 Rupees	30-Jun 2023 Rupees
(Loss)/profit for the year	20,780,589	(6,162,636)
Items that may be reclassified subsequently to statement of profit or loss		
Loss on investment categorised as fair value through other comprehensive income	-	-
Reversal of accumulated gain on reclassification	-	(8,760,971)
Less: Deferred tax thereon	-	2,540,682
Items that will not be reclassified subsequently to statement of profit or loss		
Other comprehensive loss for the year	-	(6,220,289)
Total comprehensive (loss)/income for the year	<u>20,780,589</u>	<u>(12,382,925)</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2023

Paid up capital	Un-appropriated profit	Fair Value Adjustment Reserve	Total
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----- (R u p e e s) -----

Balance as at June 30, 2022	56,250,000	100,136,531	6,220,289	162,606,820
Bonus Shares issued during the year	53,750,000	(53,750,000)		
Profit after taxation	-	(6,162,636)	-	(6,162,636)
Other comprehensive loss for the year	-	-	(6,220,289)	(6,220,289)
Total comprehensive income for the year	-	(6,162,636)	(6,220,289)	(12,382,925)
Balance as at June 30, 2023	110,000,000	40,223,895	-	150,223,895
Loss after taxation	-	20,780,589	-	20,780,589
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year	-	20,780,589	-	20,780,589
Balance as at December 31, 2023	110,000,000	61,004,484	-	171,004,484

The annexed notes form an integral part of these financial statements.


 CHIEF EXECUTIVE



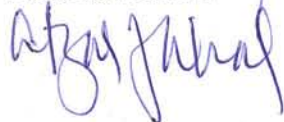

 DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2023

	Note	2023 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		20,780,589	(6,115,701)
Adjustments of items not involving movements of cash:			
Depreciation	4	897,162	1,691,097
Loss/(gain) on remeasurement of long term investment through profit or loss	11	(21,042,210)	529,264
Loss/(gain) on remeasurement on short term investment		3,919,727	(1,934,813)
(Reversal)/provision for doubtful debts		(91,038)	(1,374,401)
Balances written off		-	(22,021)
Gain on disposal of vehicle		(197,622)	(26,005)
		<u>(16,513,981)</u>	<u>(1,136,879)</u>
Operating cash flows before working capital changes		4,266,608	(7,252,580)
(Increase)/ Decrease in Working Capital			
(Increase) / decrease in current assets			
Account receivables		(5,186,589)	5,536,184
Loan and Advances		2,648	1,051,000
Trade deposits and short term prepayments		140,907	1,125,083
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(826,267)	(286,167)
Trade and other payables		147,577,231	(1,536,579)
		<u>141,707,930</u>	<u>5,889,521</u>
Cash used in operations		145,974,538	(1,363,059)
Taxes paid		(1,550,924)	(1,081,852)
Net cash used in operations		144,423,614	(2,444,911)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,717,437)	(361,000)
Long term advances paid		2,695,000	(13,721,000)
Proceeds from loan from director-net		2,995,000	-
Short term investments - net		-	11,494,908
Proceeds from disposal of vehicle		1,220,000	1,275,000
Net cash generated from/(used in) investing activities		192,563	(1,312,092)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		144,616,177	(3,757,003)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		33,078,985	36,835,988
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>177,695,162</u>	<u>33,078,985</u>
A Cash and Cash Equivalents			
Cash and bank balances	13	177,695,162	33,078,985
		<u>177,695,162</u>	<u>33,078,985</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE




DIRECTOR



RAHAT SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1 COMPANY AND ITS OPERATION

- 1.1** The company is a public company incorporated in Pakistan under the repealed Companies Ordinance 1984(now Companies Act, 2017). The registered office of the company is situated in room 617-618 Lahore Stock Exchange Building, 19 Khayaban-e-Aiwan-Iqbal Road, Lahore.

The company is Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange and has also acquired membership of Pakistan Merchantile Exchange Limited. The Principle activity of the Company is financial consultancy, brokerage, underwriting, portfolio management/acquisition of securities and securities research.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as 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 for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires 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 and other factors, including expectations of future events that are believed to be reasonable under the



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

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to statement of profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2.1 Membership card and offices

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

3.2.2 Computer Software

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

Costs associated with maintaining computer software programs are recognized as an



expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortization is charged using straight line method.

Amortization is charged when asset is available for use until asset is disposed off.

3.3 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.7 CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS

The company has changed nomenclature of financial assets from "Loans and receivables" to "Amortised cost" for better representation. As a result, the company has considered affects due to application of these accounting policies and concluded that there is no material impact resulting from such adoption.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand, bank balances and running finances.



3.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.10 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

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

3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.



3.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 CONTINGENT LIABILITIES

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

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss account.



3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the statement of profit or loss account in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.17 BASIC AND DILUTED EARNINGS PER SHARE

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 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 ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.



3.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except permitted by the regulatory authorities or reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.19 TRADE DATE ACCOUNTING

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



4 Property and equipment

Particulars	Cost				Rate %	Depreciation				W.D.V As at December 31, 2023
	As at June 30, 2023	Additions	(Deletions)	As at December 31, 2023		As at June 30, 2023	Charge for the year	Transferred during the year	As at December 31, 2023	

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-----R u p e e s-----

OWNED

Land	42,081,428	-	-	42,081,428	0	-	-	-	-	42,081,428
Building	3,607,992	-	-	3,607,992	5	579,036	75,724	-	654,760	2,953,232
Furniture and fittings	1,149,417	-	-	1,149,417	10	1,005,908	7,176	-	1,013,084	136,333
Vehicles	10,887,660	6,717,437	(2,310,000)	15,295,097	20	6,317,570	715,881	(1,287,622)	5,745,829	9,549,268
Office equipments	4,671,900	-	-	4,671,900	10	3,981,695	34,511	-	4,016,206	655,694
Mobiles	112,000	-	-	112,000	30	91,592	3,061	-	94,653	17,347
Computers	3,006,484	-	-	3,006,484	30	2,601,094	60,809	-	2,661,903	344,581
	65,516,881	6,717,437	(2,310,000)	69,924,318		14,576,895	897,162	(1,287,622)	14,186,435	55,737,883

Particulars	Cost				Rate %	Depreciation				W.D.V As at June 30, 2023
	As at June 30, 2022	Additions	(Deletions)	As at June 30, 2023		As at June 30, 2022	Charge for the year	Transferred during the year	As at June 30, 2023	

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OWNED

Land	42,081,428	-	-	42,081,428	0	-	-	-	-	42,081,428
Building	3,607,992	-	-	3,607,992	5	419,617	159,419	-	579,036	3,028,956
Furniture and fittings	1,149,417	-	-	1,149,417	10	989,962	15,946	-	1,005,908	143,509
Vehicles	13,012,660	-	(2,125,000)	10,887,660	20	5,886,154	1,307,421	(876,005)	6,317,570	4,570,090
Office equipments	4,671,900	-	-	4,671,900	10	3,905,005	76,690	-	3,981,695	690,205
Mobiles	112,000	-	-	112,000	30	82,845	8,747	-	91,592	20,408
Computers	2,645,484	361,000	-	3,006,484	30	2,478,220	122,874	-	2,601,094	405,390
	67,280,881	361,000	(2,125,000)	65,516,881		13,761,803	1,691,097	(876,005)	14,576,895	50,939,986

4.1 Depreciation has been allocated as under:

Note	31-Dec 2023 Rupees		30-Jun 2023 Rupees	
Operating expenses	22	897,162	1,691,097	
		897,162	1,691,097	



		31-Dec 2023 Rupees	30-Jun 2023 Rupees
5 INTANGIBLE ASSETS	Note		
Trading right entitlement certificate	5.1	2,500,000	2,500,000
Membership of Pakistan Merchantile Exchange Limited		250,000	250,000
Rights of rooms		5,870,000	5,870,000
Membership of Royal Palm Country Club		800,000	800,000
		<u>9,420,000</u>	<u>9,420,000</u>

- 5.1 This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less impairment.

		31-Dec 2023 Rupees	30-Jun 2023 Rupees
6 LONG TERM INVESTMENT	Note		
Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited (Previously un-quoted shares of LSE Financial Services Limited)			
Investment at fair value through profit or loss			
Cost as at July 01,	6.2	7,072,000	7,072,000
Fair value adjustment		<u>(1,984,914)</u>	<u>1,934,813</u>
		<u>5,087,086</u>	<u>9,006,813</u>
6.1 Movement in fair value reserve:			
Opening balance		-	6,220,289
Accumulated reserve transferred to profit or loss		-	(6,220,289)
(Loss)/gain on re-measurement of investment		<u>(3,919,727)</u>	<u>1,934,813</u>
		<u>(3,919,727)</u>	<u>1,934,813</u>

- 6.2 During the year, the company has received following shares of LSE Proptech Limited and LSE Venture Limited against shares of LSE Financial Services Limited under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. Due to change in investments from un-quoted to quoted shares, the company has reclassified these investments from available for sale to fair value through profit or loss and respective accumulated reserve has been charged to profit or loss.

	Value No. of shares	Value Rupees	Pledged Rupees	Pledged with
LSE Proptech Limited	295,535	1,421,523	1,421,523	Pakistan Stock Exchange for BMC
LSE Venture Limited	842,810	7,585,290	7,585,290	
	<u>1,138,345</u>	<u>9,006,813</u>	<u>9,006,813</u>	



	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
7 LONG TERM ADVANCES			
Advance against room in NCEL Building Management Ltd.		2,500,000	2,500,000
Advance to directors against purchase of office :			
Muhammad Afzal	7.1	4,501,000	7,196,000
Muhammad Arshad	7.2	6,525,000	6,525,000
		11,026,000	13,721,000
		<u>13,526,000</u>	<u>16,221,000</u>

7.1 Advance to Director - Muhammad Afzal

Balance as at July 01,		7,196,000	-
Transferred during the year	10.1	-	371,000
Disbursed during the year		(2,695,000)	6,825,000
Repayments/adjustments made during the year		-	-
		<u>4,501,000</u>	<u>7,196,000</u>

The maximum aggregate amount outstanding at the month-end balance was amounting Rs.7,196,000.

7.2 Advance to Director - Muhammad Arshad

	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
Balance as at July 01,		-	-
Disbursed during the year		6,525,000	6,525,000
Repayments/adjustments made during the year		-	-
		<u>6,525,000</u>	<u>6,525,000</u>

The maximum aggregate amount outstanding at the month-end balance was amounting Rs.6,525,000.

	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
8 LONG TERM DEPOSITS			
Deposits with:			
National Clearing Company of Pakistan Ltd.		1,400,000	1,400,000
Pakistan Mercantile Exchange Ltd.		750,000	750,000
Central Depository Company of Pakistan Ltd.		100,000	100,000
Others		70,000	70,000
		<u>2,320,000</u>	<u>2,320,000</u>



	Note	31-Dec 2023 Rupees	30-Jun 2022 Rupees
9 TRADE DEBTS			
Receivable from:			
Clients on account of purchase of shares		9,273,097	8,765,637
Related parties on account of purchase of shares	9.1	316,432	1,155
		9,589,528	8,766,792
Less: Provision for doubtful debts	9.3	(4,949,453)	(5,040,491)
		4,640,075	3,726,301
National Clearing Company of Pakistan Ltd.		4,363,810	-
Central Depository Company of Pakistan Ltd.		42	-
		9,003,927	3,726,301

9.1 Receivable from related party	Maximum aggregate Rupees		
Muhammad Akhtar - Director		-	1,155
		-	1,155

9.2 Ageing analysis of the amounts due from related parties as follows:

Name	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2023
	-----Rupees-----			
Muhammad Akhtar	-	-	-	-
	-	-	-	-

9.3 Provision for doubtful debts	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
Opening balance		5,040,491	6,436,913
Add: (Reversal)/provision made during the year		(91,038)	(1,374,401)
Balances written off		-	(22,021)
		4,949,453	5,040,491

9.4 This includes provision amounting Rs. Nil (2023: nil) against receivable from Muhammad Akhtar (Director). Provision is based on balances outstanding for more than 5 days exceeding market value of holding securities after VAR haircut.

9.5 Provision for doubtful debts	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
Aging analysis			
Upto five days		-	108,262
More than five days		-	3,617,876
		-	3,726,138



	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
10 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to directors:			
Muhammad Afzal		-	-
Arif Mehmood	10.2	66,267	72,267
		<u>66,267</u>	<u>72,267</u>
Advances to employees against salary:			
Employees		16,051	12,699
		<u>82,319</u>	<u>84,966</u>



11	INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
	Investment in listed securities			
	Cost as on July 01,		54,110,231	54,110,231
	(Loss)/gain on remeasurement of investment at fair value		20,512,946	(529,264)
			74,623,177	53,580,967
			Rupees	Rupees
11.1	Movement in fair value reserve:			
	Opening balance		(529,264)	6,757,810
	Unrealized loss transferred on disposal		-	(7,687,496)
	Gain on re-measurement of investment		21,042,210	400,422
			20,512,946	(529,264)
12	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
	Deposits with:			
	National Clearing Company of Pakistan Ltd.		400,000	400,000
	Pakistan Mercantile Exchange Ltd.		1,170,283	1,311,190
	Tax deducted at source		6,025,255	4,474,330
	Other receivable		-	-
			7,595,538	6,185,520
13	CASH AND BANK BALANCES			
	These were held as under:			
	Cash in hand		181,875	183,805
	Cash at banks			
	in current accounts:			
	Pertaining to brokerage house	13.1	1,106,873	199,613
	Pertaining to clients		176,406,414	32,695,567
			177,513,287	32,895,180
			177,695,162	33,078,985
13.1	This includes balance amounting Rs. nil (2023: Rs. 101,935) pertaining to proprietary account with Pakistan Mercantile Exchange Limited.			



14 SHARE CAPITAL

	Note	31-Dec 2023 Rupees	30-Jun 2023 Rupees
Authorized			
11,000,000 (2023: 11,000,000) ordinary shares of Rs.10 each		110,000,000	110,000,000
Issued, subscribed and paid up			
3,750,000 (2023: 3,750,000) ordinary shares of Rs.10 each fully paid in cash		37,500,000	37,500,000
7,250,000 (2023: 7,250,000) bonus shares of Rs.10 issued to shareholders	14.1	72,500,000	72,500,000
		110,000,000	110,000,000

14.1 Movement of Bonus Shares issued

Bonus shares as on July 01,	72,500,000	18,750,000
Bonus shares issued during the year	-	53,750,000
Bonus shares at December 31	72,500,000	72,500,000

14.2 Pattern of Shareholding:

% age of Shares Held		Number of Shares Held		
2023	2023	2023	2023	
Categories of shareholders				
Individual				
Chief Executive officer (CEO):				
Ch. Muhammad Afzal	39.67%	39.67%	4,363,235	4,363,235
Directors:				
Ch. Muhammad Ashraf	20.00%	19.90%	2,199,840	2,189,440
Ch. Muhammad Arshad	37.36%	37.36%	4,109,502	4,109,502
Muhammad Hamza Ahr	0.19%	0.00%	20,800	-
Mrs. Humaira Afzal	0.13%	0.13%	14,667	14,667
Mrs. Mina Arshad Ch.	2.44%	2.44%	268,400	268,400
Mr. Arif Mehmood	0.01%	0.48%	800	52,800
Shareholders:				
Ch. Muhammad Akhtar	0.01%	0.01%	978	978
Ch. Muhammad Amjad	0.01%	0.01%	978	978
Mr. Muhammad Omar	0.19%	0.00%	20,800	-
	100%	100%	11,000,000	11,000,000

14.3 There is no variation in the voting rights of the shareholders.



	Note	2023 Rupees	2023 Rupees
15 FAIR VALUE ADJUSTMENT RESERVE			
Fair value adjustment reserve		-	-

- 15.1 This represented accumulated gain on long term investments and it has be reclassified to profit or loss.

	Note	2023 Rupees	2023 Rupees
16 DEFERRED TAXATION			
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		56,016	80,940
Unrealised gain on available for sale investment		(248,114)	241,852
Unrealised gain on short term investment		3,076,942	(79,390)
Provision against doubtful debts		(1,435,341)	(1,461,742)
Minimum taxes paid		(376,698)	(307,256)
Alternate corporate taxes paid		(1,217,373)	(1,217,373)
Taxable losses		724,945	(3,769,042)
Deferred tax asset not recognised		(580,377)	6,512,011
		-	-
Balance as at July 01,		-	3,583,100
Charge for the year in profit or loss		-	(1,042,418)
Charge for the year in OCI		-	(2,540,682)
		-	-

- 16.1 At the year end net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset of Rs. 4.22 million. However, net deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2024.

- 16.2 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2019	68,938	2024
2020	113,007	2025
2023	194,753	2026

- 16.3 Alternative corporate taxes would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2021	718,265	2031
2022	499,108	2032



16.4 Business losses would expire as follows:

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire
2023	(6,676,181)	2029

16.5 Depreciation losses with no limit to expire are as follows:

Accounting year to which depreciation loss relates	Amount of depreciation losses (Rupees)	Accounting year in which depreciation loss will expire
2013	2,027,121	No expiry limit
2016	281,374	No expiry limit
2018	70,375	No expiry limit
2019	475,560	No expiry limit
2020	948,299	No expiry limit
2023	373,641	No expiry limit

	Note	2023 Rupees	2023 Rupees
17 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		<u>360,053</u>	<u>1,186,320</u>
18 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients		180,009,429	32,399,705
National Clearing Company of Pakistan Ltd.		-	32,495
Punjab workers welfare fund payable		684,961	684,961
Tax deducted at source payable		250	250
Other Payable		<u>36,914</u>	<u>36,913</u>
		<u>180,731,554</u>	<u>33,154,323</u>



19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

Contingencies as at reporting date were Rs. nil (2023: Rs. nil).

19.1.1 The company has received notice from Federal Board of Revenue dated June 20, 2022 in which penalty has been imposed of Rs. 710,000 for the tax year 2021 due to non-compliance of Common Reporting Standard of the Income Tax Rules, 2002. The company has filed a writ petition before the Lahore High Court, Lahore against the aforesaid notice which was disposed off on 28-10-22 and the case was remanded back to Deputy Commissioner Inland Revenue and which is pending for decision. The tax advisor of the company is of the opinion that the company has a good arguable case and there is likelihood that the same will be decided in the favour of the company.

19.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 9.73 million (2023: Rs. 8.04 million) to Pakistan Stock Exchange (PSX) on behalf of the company to meet the Base Minimum Capital requirements.

19.2 Commitments

Commitments in respect of capital expenditures as at December 31, 2023 were amounting Rs. nil (2023: Rs. 26.28 million).

20 BROKERAGE AND COMMISSION	Note	2023 Rupees	2023 Rupees
Brokerage and commission		8,407,478	10,149,849
Less: Sales tax		<u>1,159,652</u>	<u>1,399,979</u>
		<u>7,247,826</u>	<u>8,749,870</u>

20.1 Brokerage and commission includes the following amounts of commission earned from related parties:

Name of related party	Basis of relationship	Note	2023 Rupees	2023 Rupees
Ch. Muhammad Akhtar	Ex director		-	12,586
Ch. Muhammad Amjad	Ex director		-	250
Ch. Muhammad Afzal	Director		-	17,079
Ch. Muhammad Arshad	Director		-	596
			<u>-</u>	<u>30,511</u>

21 DIRECT COST

Charges paid to:

Pakistan Stock Exchange Ltd.	239,881	688,806
Pakistan Mercantile Exchange Ltd.	11,000	6,000
National Clearing Company of Pakistan Ltd.	349,084	122,944
Central Depository Company of Pakistan Ltd.	378,732	259,330
Commission paid	-	357,775
	<u>978,697</u>	<u>1,434,855</u>



	Note	2023 Rupees	2022 Rupees
22 OPERATING EXPENSES			
Directors' remuneration		-	3,001,850
Staff salaries and benefits		2,194,963	6,908,885
Rent, rates and taxes	22.1	47,480	347,248
Communication Charges		209,006	437,456
Utility expenses		252,506	439,389
Postage and courier		26,619	36,066
Printing and stationery		113,115	91,925
Repair and maintenance		87,996	183,136
Insurance		2,808	2,812
Legal and professional charges	22.2	60,900	1,063,789
Fee and subscription		898,916	603,877
Charity and donation		200,000	-
Books and newspapers		4,420	6,450
Entertainment		928,658	584,554
Travelling expenses		40,130	79,700
Vehicle running and maintenance		36,900	896,966
Depreciation	4	897,162	1,691,097
Others		136,026	187,014
		<u>6,137,605</u>	<u>16,562,214</u>

22.1 This includes rent expenses relating to following related parties:

Particulars	2023 Rupees	2023 Rupees
Muhammad Afzal - Chief Executive	-	75,102
Muhammad Arshad - Director	-	75,102
Muhammad Akhter - Ex director	-	75,102
Muhammad Amjad - Ex director	-	75,102
	<u>-</u>	<u>300,408</u>

22.2 Auditor's remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Amin, Mudassar & Co.		2023	2023
Chartered Accountants	Note	Rupees	Rupees
Statutory audit			138,000
Certification fee			60,150
Corporate Services		-	-
		<u>-</u>	<u>198,150</u>

23 OTHER OPERATING EXPENSES

Punjab workers welfare fund		-	-
Balances written off		-	-
Provision for doubtful debts		-	-
Unrealised loss on remeasurement of investment at fair value through profit or loss		-	7,687,496
Loss on re-measurement of investment at fair value		3,919,727	-
		<u>3,919,727</u>	<u>7,687,496</u>



		2023 Rupees	2022 Rupees
24	OTHER INCOME		
	Income from financial assets		
	Dividend income	2,471,505	6,194,343
	Gain on remeasurement of investment at fair value through profit or loss	11 21,042,210	-
	Interest on deposits with NCCPL		118,122
	IPO Commission	730,512	-
	Reversal of provision for doubtful debts		1,374,401
	Unrealized gain on remeasurement of long term investment		1,934,813
	Income from assets other than financial assets		
	Other income	44,518	1,061,366
	Balances written back	91,038	-
	Gain on disposal of vehicle	197,622	26,005
		<u>24,577,405</u>	<u>10,709,049</u>
25	FINANCE COST		
	Bank charges	<u>8,613</u>	<u>21,880</u>
26	TAXATION		
	Income tax:		
	-Current	-	1,086,207
	-Deferred	-	(1,042,418)
	-Prior	-	3,146
		<u>-</u>	<u>46,935</u>
26.1	Income tax assessment of the Company has been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any notice in this respect.		
26.2	No numeric tax rate reconciliation has been presented for the current and prior year in these financial statements as the company is either liable to pay tax under final tax regime or minimum tax regime of Income Tax Ordinance, 2001.		
27	EARNINGS PER SHARE - BASIC AND DILUTED		
		2023	2023 Restated
	(Loss)/profit for the year-Rupees	<u>20,780,589</u>	<u>(6,162,636)</u>
	Weighted average number of ordinary shares outstanding during the year-Numbers	<u>11,000,000</u>	<u>11,000,000</u>
	Earnings per share-Rupees	<u>1.89</u>	<u>(0.56)</u>



28 NUMBER OF EMPLOYEES

	2023	2023
	(N u m b e r)	
Total number of employees at the end of year	15	15
Average number of employees at the year end	15	15

29 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the company is as follows:

	Chief Executive		Directors	
	2023	2023	2023	2023
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	0	180,000	-	974,400
Number of persons	1	1	5	5

- The Chief Executive and directors are entitled to free use of cars according to the company policy.
- No employee meets the definition of executive as per the requirements of Companies Act, 2017.

30 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Available for sale

Long term investment

2023	2023
Rupees	Rupees
-	9,006,813

At fair value through profit or loss:

Long term investment

Investment in listed securities

5,087,086	-
74,623,177	53,580,967

Loans and receivables

Long term deposits

Trade debts

Loan and advances

Trade deposits

Cash and bank balances

2,320,000	2,320,000
9,003,927	3,726,301
82,319	84,966
1,570,283	1,711,190
177,695,162	33,078,985
270,381,954	103,509,223

Financial liabilities

At amortized cost

Deposits, accrued liabilities and advances

Trade and other payables

360,053	1,186,320
180,046,343	33,154,323
180,406,396	34,340,643



31 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there is no major reclassification to report.

32 GENERAL

Figures have been rounded off to the nearest rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.


CHIEF EXECUTIVE




DIRECTOR