AMIN, MUDASSAR & CO.
Chartered Accountants

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Independent Auditor's Report to the Members of Rahat Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Rahat Securities Limited (the Company)**, which comprise the statement of financial position as at June 30, 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, 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 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 June 30, 2024 and of the profit, total 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 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.

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

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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.

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;

f) the company was in compliance with the relevant requirements of the 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 Muhammad Daoud.

CHARTERED ACCOUNTANTS

Lahore: 31 OCT 2024

UDIN: AR2024100828H67fyYWO

RAHAT SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	54,263,464	50,939,986
Intangible assets	6	9,420,000	9,420,000
Long term investment	7	5,611,474	9,006,813
Long term advances	8	14,914,000	16,221,000
Long term deposits	9	2,320,000	2,320,000
		86,528,938	87,907,799
CURRENT ASSETS			
Trade debts	10	3,437,457	3,726,301
Loans and advances	11	-	84,966
Investment at fair value through profit or loss	12	95,752,880	53,580,967
Trade deposits, short term prepayments and current account balance with statutory authorities	13	1,911,783	1,711,190
Accrued interest		13,691	-
Tax deducted at source/income tax refundable	14	4,093,550	4,474,330
Cash and bank balances	15	107,126,288	33,078,985
		212,335,649	96,656,739
		298,864,587	184,564,538
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	16	110,000,000	110,000,000
Revenue reserve			
Un-appropriated profit		76,500,408	40,223,895
		186,500,408	150,223,895
NON CURRENT LIABILITIES			
Deferred taxation	17	5,022,765	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	18	927,581	1,186,320
Trade and other payables	19	106,413,833	33,154,323
Provision for taxation and levies	20	-	-
		107,341,414	34,340,643
CONTINGENCIES AND COMMITMENTS	21	-	-
		298,864,587	184,564,538

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

CHIEF EXECUTIVE

RAHAT SECURITIES LIMITED TREC HOLDER 275

DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Brokerage and commission	22	13,325,174	8,749,870
Capital gain on marketable securities		-	131,825
		13,325,174	8,881,695
Direct cost	23	(2,085,361)	(1,434,855)
		11,239,813	7,446,840
Operating expenses	24	(13,783,192)	(16,562,214)
Other operating expenses	25	(4,611,168)	(7,687,496)
Other income	26	49,830,638	10,709,050
		31,436,278	(13,540,660)
PROFIT/(LOSS) FROM OPERATIONS		42,676,091	(6,093,820)
Finance cost	27	(29,062)	(21,880)
PROFIT/(LOSS) BEFORE TAXATION AND LEVY		42,647,029	(6,115,700)
Levies	28	(1,344,979)	(1,086,207)
PROFIT/(LOSS) BEFORE LEVIES TAX AND INCOME TAX		41,302,050	(7,201,907)
Income tax	29	(5,025,537)	1,039,272
PROFIT/(LOSS) FOR THE YEAR		36,276,513	(6,162,635)
EARNINGS PER SHARE - BASIC AND DILUTED	30	3.30	(0.56)

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

CHIEF EXECUTIVE

RAHAT SECURITIES LIMITED TREC HOLDER 275

DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Profit/(loss) for the year	36,276,513	(6,162,635)
Items that may be reclassified subsequently to statement of profit or loss		
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 income/(loss) for the year	36,276,513	(12,382,924)

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

CHIEF EXECUTIVE

RAHAT SECURITIES LIMITED TREC HOLDER 275

DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Paid up capital	Un-appropriated profit	Fair Value Adjustment Reserve	Total
	--------- (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)	-	-
Loss after taxation	-	(6,162,636)	-	(6,162,636)
Other comprehensive loss for the year	-	-	(6,220,289)	(6,220,289)
Total comprehensive loss 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
Profit after taxation	-	36,276,513	-	36,276,513
Other comprehensive loss for the year	-	-	-	-
Total comprehensive income for the year	-	36,276,513	-	36,276,513
Balance as at June 30, 2024	**110,000,000**	**76,500,408**	**-**	**186,500,408**

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

CHIEF EXECUTIVE

RAHAT SECURITIES LIMITED TREC HOLDER 275

DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation and levies		42,647,029	(6,115,700)
Adjustments of items not involving movements of cash:			
Depreciation	5	2,382,881	1,691,097
(Gain)/loss on remeasurement of investment at fair value through profit or loss	12	(42,171,912)	7,687,496
Capital gain on investment		-	(131,825)
Loss/(gain) on remeasurement of long term investment		3,395,339	(1,934,813)
Provision/(reversal) for doubtful debts		362,888	(1,374,401)
Short term lease payments		-	300,408
Dividend income		(5,872,105)	(6,194,343)
Intrest income		(144,558)	(118,122)
Gain on disposal of vehicle		(197,622)	(26,005)
		(42,245,089)	(100,508)
Operating cash flows before working capital changes		401,940	(6,216,209)
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade debts		(74,044)	5,514,163
Loan and Advances		84,966	1,051,000
Trade deposits and short term prepayments		(200,593)	1,125,083
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(258,739)	(286,167)
Trade and other payables		73,259,510	(1,536,579)
		72,811,099	5,867,500
Cash generated from/(used in) operations		73,213,039	(348,709)
Taxes paid		(966,971)	(1,081,852)
Dividend received		5,872,105	6,194,343
Interest received		130,868	118,123
Short term lease payments		-	(300,408)
Net cash generated from operations		78,249,041	4,581,497
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,728,738)	(361,000)
Long term advances refunded/(disbursed)		1,307,000	(13,721,000)
Short term investments acquired		-	(2,267,520)
Receipt from disposal of short term investments		-	6,736,020
Proceeds from disposal of vehicle		1,220,000	1,275,000
Net cash used in investing activities		(4,201,738)	(8,338,500)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		74,047,303	(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	107,126,288	33,078,985
A - Cash and Cash Equivalents			
Cash and bank balances	15	107,126,288	33,078,985
		107,126,288	33,078,985

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

RAHAT SECURITIES LIMITED TREC HOLDER 275

CHIEF EXECUTIVE

DIRECTOR

RAHAT SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 acquied membership of Pakistan Merchantile Exchange Limited. The core 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 Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan 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 IFRSs or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

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 circumstances.

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, depreciation methods and residual values of property and equipment
- Useful lives, amortization methods and residual values of intangible assets
- Provision for doubtful account receivables/ECLs
- Contingencies
- Provision for current and deferred taxation

RAHAT SECURITIES LIMITED TREC HOLDER

3 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS:

3.1 New or amendments / interpretations to existing standards, interpretation and forthcoming requirements

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

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of applicable reporting framework. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change except the following effect on statement of profit or loss:

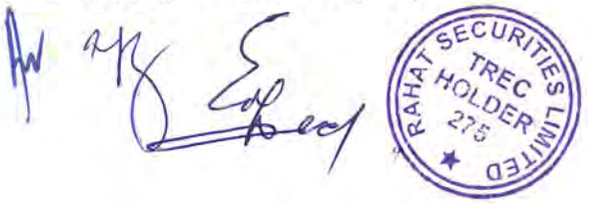
	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effect on statement of profit or loss						
Profit/(loss) before income tax	42,647,029	(1,344,979)	41,302,050	(6,115,700)	(1,086,207)	(7,201,907)
Levies	-	(1,344,979)	(1,344,979)	-	(1,086,207)	(1,086,207)
Income tax expense	(6,370,516)	1,344,979	(5,025,537)	(46,935)	1,086,207	1,039,272

3.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30,

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.



The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

In addition to the above, the company has changed applicable financial reporting framework from International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) to International Financial Reporting Standards (IFRS Standards). The related changes to the accounting policies have been made in these financial statements. The changes laid down by these standards do not have any significant impact on these financial statements of the Company except the following:

IFRS 9 'Financial instruments' – This standard replaces the provisions relating to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces incurred loss impairment model. On the date of initial application of IFRS 9, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. However, these do not have any significant impact on the Company's financial reporting.

IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue recognition criteria and the related interpretations on revenue recognition. However, these do not have any significant impact on the Company's financial reporting.

IFRS 16 superseded Leases treatments and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at the initial recognition. Instead, the company applied IFRS 16 only to contracts that were previously identified as leases applying previous applicable financial reporting framework at the date of initial application. The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application. Under this method, IFRS 16 was applied retrospectively with the cumulative effect of initially applying IFRS 16 recognized at the date of initial application without restating comparatives. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position. However, these do not have any significant impact on the Company's financial reporting.

3.3 New accounting standards, amendments and interpretations that are either not yet effective or relevant to the company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures'- Amendments regarding the classification and measurement of financial	January 1, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements Classification of liabilities as current or non-current	January 01, 2024

RAHAT SECURITIES LIMITED TREC HOLDER 275

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 1, 2025
IFRS 17 Insurance Contracts	January 1, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption.

3.4 Standards, amendments and interpretations to existing standards that are effective in current year

There were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or to have any significant impact on the company's financial reporting and, therefore, have not been disclosed in these financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented in these financial statements except as stated in note 3 to the financial statements:

4.1 PROPERTY AND EQUIPMENT

Items of property and equipment other than land, leasehold improvements and capital work in progress are measured at cost less accumulated depreciation and accumulated impairments (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.

Gains and losses on disposal of assets, if any, are included in profit or loss.

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. Further, the key assumptions used to determine the fair value of property and equipment are provided in relevant note to the financial statements.

4.2 INTANGIBLE ASSETS

Intangible assets with infinite useful life are stated at cost less impairment, if any. Intangible assets with finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, 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.

4.2.1 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.

4.2.2 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.

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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 amortized is charged using straight line method.

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

4.3 Financial instruments

4.3.1 Financial assets

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

a) **Financial assets at amortized cost**

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) **Financial assets at fair value through other comprehensive income**

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

c) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

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

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

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

For other financial assets, the company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

4.3.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

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

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

4.3.3 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 realize the asset and settle the liability simultaneously.

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in statement of profit or loss.

4.5 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in relevant note to the financial statements.

4.6 CASH AND CASH EQUIVALENTS

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

4.7 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.8 BORROWINGS

Borrowings are recorded initially at fair value, net of transaction cost incurred.

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

4.9 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 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 profit or loss, 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.

Levies

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

4.10 TRADE AND OTHER PAYABLES

Trade and other payables are recognized 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.

4.11 PROVISIONS

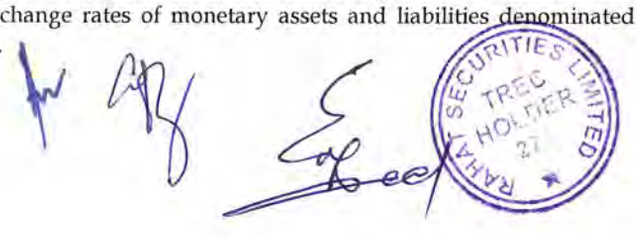
Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.12 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 recognized in the profit or loss.



4.13 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets other than inventories, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized as an expense in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

4.14 RIGHT-OF-USE ASSETS AND RELATED LIABILITY

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on reducing balance method for all assets as mentioned in the relevant note to the financial statements. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of respective asset.

The lease liability is initially measured at the present value of the lease payments 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, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. 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 amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. 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.

4.15 DIVIDEND DISTRIBUTIONS AND APPORTIONMENTS

Dividend distributions to the Company's shareholders and appropriations to reserves are recognized in the period in which these are approved.

4.16 IJARAH CONTRACTS

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the Muji's (lessor) are classified as operating Ijarah. Payments made during the year are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah in accordance with Islamic Financial Accounting Standard-2.

4.17 REVENUE RECOGNITION

The company recognizes revenue when it satisfies the performance obligations. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations including significant payment terms	Revenue recognition policies
Brokerage income	Performance obligation is satisfied when the services are rendered.	Revenue is recognized at a point in time when the provision of service is completed.
Advisory and consultancy income	Performance obligation is satisfied over the period of contract. Customer is invoiced at the time of satisfaction of each performance obligation under the contract.	Revenue is recognized over the period when the customer utilizes advisory and consultancy services.
Dividend income	Performance obligation is satisfied when the right to receive the dividend is established.	Revenue is recognized at a point in time when the right to receive dividend is established.
Income on continuous funding system transactions and bank deposits	Performance obligation is satisfied on a time proportionate basis that takes into account the effective yield.	Revenue is recognized at a point in time as it accrues.
Mark-up income from investment in marginal trading system	Performance obligation is satisfied when it accrues using the effective interest method.	Revenue is recognized over the period when the customer utilizes exposure provided under marginal trading system.
Return on term finance certificates	Performance obligation is satisfied when it accrues using the effective interest method.	Revenue is recognized at a point in time as it accrues.

4.18 BASIC AND DILUTED EARNINGS PER SHARE

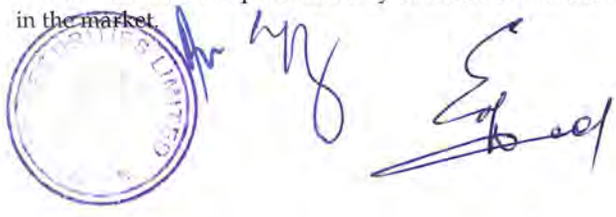
The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by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

4.19 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.

4.20 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.



5 Property and equipment

Particulars	Cost				Depreciation					W.D.V
	As at June 30, 2023	Additions	(Deletions)	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	Transferred during the year	As at June 30, 2024	As at June 30, 2024
	----------Rupees----------					----------Rupees----------				
OWNED										
Land	42,081,428	-	-	42,081,428	0	-	-	-	-	42,081,428
Building	3,607,992	-	-	3,607,992	5	579,036	151,448	-	730,484	2,877,508
Furniture and fittings	1,149,417	-	-	1,149,417	10	1,005,908	14,351	-	1,020,259	129,158
Vehicles	10,887,660	6,711,437	(2,310,000)	15,289,097	20	6,317,570	2,019,369	(1,287,622)	7,049,317	8,239,780
Office equipments	4,671,900	-	-	4,671,900	10	3,981,695	69,021	-	4,050,716	621,184
Mobiles	112,000	17,300	-	129,300	30	91,592	7,075	-	98,667	30,633
Computers	3,006,484	-	-	3,006,484	30	2,601,094	121,617	-	2,722,711	283,773
	65,516,881	**6,728,737**	**(2,310,000)**	**69,935,618**		**14,576,895**	**2,382,881**	**(1,287,622)**	**15,672,154**	**54,263,464**

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

5.1 **Depreciation has been allocated as under:**

	Note	2024 Rupees	2023 Rupees
Operating expenses	24	2,382,881	1,691,097
		2,382,881	1,691,097

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	Note	2024 Rupees	2023 Rupees
6 INTANGIBLE ASSETS			
Trading right entitlement certificate	6.1	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
		9,420,000	9,420,000

6.1 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 accumulated impairment.

7 LONG TERM INVESTMENT	Note	2024 Rupees	2023 Rupees
Quoted shares at fair value through profit or loss			
7.1 Cost of investment			
Opening balance		7,072,000	7,072,000
Addition		-	-
Deletion		-	-
		7,072,000	7,072,000
7.2 Movement in fair value reserve:			
Opening		1,934,813	6,220,289
Accumulated reserve transferred to profit or loss		-	(6,220,289)
Unrealized (loss)/gain charged in profit or loss		(3,395,339)	1,934,813
		(1,460,526)	1,934,813
		5,611,474	9,006,813

7.3 During the year, the company has received shares of LSE Capital Limited (LSECL) against shares of LSE Proptech Limited (LSEPL) under the scheme of arrangement as sanctioned by th eLahore High Court vide its order dated April 3, 2024 and as per swap ratio disclosed in the aforesaid scheme, the shareholders of LSEPL have been allotted 0.83 share of LSECL against each 1 share of LSEPL.

	Total No. of shares	Total Value of shares	Total No. of shares Pledge	Pledged Rupees	Pledged with
LSE Capital Limited	245,294	765,317	245,293	765,314	Pakistan Stock
LSE Venture Limited	842,810	4,846,158	842,810	4,846,158	Exchange for
	1,088,104	5,611,475	1,088,103	5,611,472	BMC

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	Note	2024 Rupees	2023 Rupees
8 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	8.1 & 8.3	5,889,000	7,196,000
Muhammad Arshad	8.2 & 8.3	6,525,000	6,525,000
		12,414,000	13,721,000
		14,914,000	16,221,000

8.1 Advance to Director - Muhammad Afzal

Balance as at July 01,		7,196,000	-
Transfered during the year	11.1	-	371,000
(Refunded)/disbursed during the year		(1,307,000)	6,825,000
Repayments/adjustments made during the year		-	-
		5,889,000	7,196,000

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

8.2 Advance to Director - Muhammad Arshad

	Note	2024 Rupees	2023 Rupees
Balance as at July 01,		6,525,000	-
Disbursed during the year		-	6,525,000
Repayments/adjustments made during the year		-	-
		6,525,000	6,525,000

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

8.3 As per repayment terms, the company has to settle the total dues of the property till Feb-2028. The title of ownership of property will be transferred in the name of the company upon full repayment.

	Note	2024 Rupees	2023 Rupees
9 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
		2,320,000	2,320,000

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	Note	2024 Rupees	2023 Rupees
10 TRADE DEBTS			
Receivable from:			
Clients on account of purchase of shares		7,820,775	8,765,637
Related parties on account of purchase of shares	10.1	444,335	1,155
		8,265,110	8,766,792
Less: Provision for doubtful debts	10.3	(4,827,653)	(5,040,491)
		3,437,457	3,726,301

10.1 Receivable from clients on account of purchase of shares include the following balances due from the following related parties having shareholding as referred to note 16 to the financial statements:

Receivable from related party	Basis of relationship	Maximum aggregate Rupees	2024	2023
Muhammad Amjad	Shareholder	186,158	2,377	
Muhammad Hamza Ahmad	Director	510,840	4,084	-
Chaudhry Muhammad Afzal	CEO	2,300,429	437,874	-
Muhammad Akhtar	Shareholder	1,153	-	1,155
			444,335	1,155

10.2 **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, 2024
	----------	Rupees	----------	
Muhammad Amjad	-	2,377	-	2,377
Muhammad Hamza Ahmad	4,084	-	-	4,084
Chaudhry Muhammad Afzal	437,874	-	-	437,874
	441,958	2,377	-	444,335

10.3 Provision for doubtful debts	Note	2024 Rupees	2023 Rupees
Opening balance		5,040,491	6,436,913
Add: Charge/(reversal) made during the year		362,888	(1,374,401)
Balances written off		(575,726)	(22,021)
		4,827,653	5,040,491

10.4 Aging analysis		
Upto five days	415,197	108,262
More than five days	3,022,260	3,617,876
	3,437,457	3,726,138

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	Note	2024 Rupees	2023 Rupees
11 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to director:			
Arif Mehmood	**11.1**	-	72,267
		-	72,267
Advances to employees against salary:			
Employees		-	12,699
		-	84,966
		-	-
11.1 Loan to Director - Arif Mehmood			
Balance as at July 01,		72,267	84,267
Disbursed during the year		-	5,000
Recovered/adjustments made during the year		(72,267)	(17,000)
		-	72,267
12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Investment in listed securities			
Cost	**12.1**	54,110,232	54,110,231
Gain/(Loss) on remeasurement of investment at fair value	**12.2**	41,642,648	(529,264)
		95,752,880	53,580,967
12.1 Cost of investment			
Opening balance		54,110,232	58,847,328
Addition during the year		-	2,267,520
Redemption during the year		-	(7,004,617)
		54,110,232	54,110,231
12.2 Movement in fair value reserve:			
Opening balance		(529,264)	6,757,810
Realized during the year		-	400,422
Unrealized gain/(loss) on remeasurement		42,171,912	(7,687,496)
		41,642,648	(529,264)
		95,752,880	53,580,967

12.3 This includes shares having carrying value of Rs. nil (2023: Rs. nil) pledged with financial institutions and shares amounting Rs.28.71 million (2023: Rs. 10.86 million) pledged with National Clearing Company of Pakistan Limited for exposure margins and shares amounting Rs. 10.85 million (2023: Rs. 7.57 million) pledged with Pakistan Stock Exchange for BMC purposes.

	Note	2024 Rupees	2023 Rupees
13 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
Deposits with:			
National Clearing Company of Pakistan Ltd.	13.1	400,000	400,000
Pakistan Mercantile Exchange Ltd.		1,259,690	1,311,190
Sale tax receivable		252,093	-
		1,911,783	1,711,190

13.1 This carries profit ranging from 15% to 20%.

14 INCOME TAX REFUNDABLE/TAX DEDUCTED AT SOURCE			
Opening balance		4,474,330	4,936,796
Tax deducted at source during the year		966,971	1,081,852
		5,441,301	6,018,648
Adjustments made during the year against:			
Payable against prior year provision		-	(454,965)
Provision for taxation and levies - prior year		(2,772)	(3,146)
Provision for taxation and levies - current year		(1,344,979)	(1,086,207)
		(1,347,751)	(1,544,318)
		4,093,550	4,474,330
15 CASH AND BANK BALANCES			
These were held as under:			
Cash in hand		180,502	183,805
Cash at banks			
in current accounts:			
Pertaining to brokerage house	15.1	1,380,046	199,613
Pertaining to clients		105,565,740	32,695,567
		106,945,786	32,895,180
		107,126,288	33,078,985

15.1 This includes balance amounting Rs. 3,662 (2023: Rs. 101,935) pertaining to proprietary account with Pakistan Mercantile Exchange Limited.

	Note	2024 Rupees	2023 Rupees
16 SHARE CAPITAL			
Authorized			
11,000,000 (2023: 6,000,000) 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: 1,875,000) bonus shares of Rs.10 issued to shareholders		72,500,000	72,500,000
		110,000,000	110,000,000

RAHAT SECURITIES LIMITED TREC HOLDER

16.1 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2024	2023	2024	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	19.90%	19.90%	2,189,440	2,189,440
Ch. Muhammad Arshad	37.36%	37.36%	4,109,502	4,109,502
Mrs. Mina Alamgir.	2.44%	2.44%	268,400	268,400
Mr. Arif Mehmood	0.29%	0.48%	32,000	52,800
Mr. Hamza Ahmed	0.19%	0.00%	20,800	0
Mrs. Humaira Afzal	0.13%	0.13%	14,667	14,667
Shareholders:				
Ch. Muhammad Akhtar	0.01%	0.01%	978	978
Ch. Muhammad Amjad	0.01%	0.01%	978	978
	100%	100%	11,000,000	11,000,000

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

17 DEFERRED TAXATION	Note	2024 Rupees	2023 Rupees
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		102,442	76,673
Provincial workers welfare fund payable		(319,424)	(120,664)
Unrealised (loss)/gain on long term investment		(182,566)	241,852
Unrealised gain/(loss) on short term investment		5,205,331	(79,390)
Provision against doubtful debts		(1,400,019)	(1,461,742)
Minimum taxes paid		(253,061)	(321,999)
Alternate corporate tax paid		(1,681,536)	(1,217,373)
Taxable losses		(552,913)	(1,449,748)
Deferred tax asset not recognised		4,104,511	4,332,391
		5,022,765	-
Balance as at July 01,		-	3,583,100
Charge for the year to statement of profit or loss		5,022,765	(1,042,418)
Charge for the year in OCI		-	(2,540,682)
		5,022,765	-

17.1 At the year end, net deferred tax asset in respect of deductable temporary differences, taxable losses and tax credits amounting Rs. 4.10 million has not been recognised in these financial statements. The Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2025.

17.2 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
2020	113,007	2025
2023	140,054	2026

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17.3 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
2024	464,163	2034

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

Accounting year to which depreciation loss relates	Amount of depreciation losses (Rupees)
2020	479,229
2023	1,427,369

	Note	2024 Rupees	2023 Rupees
18 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		927,581	1,186,320
19 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	19.1 & 19.2	102,442,632	32,399,705
Sale tax payable		11,993	-
Payable to National Clearing Company of Pakistan Ltd.		2,421,056	32,495
Punjab workers welfare fund payable		1,537,902	684,961
Tax deducted at source payable		250	250
Other payable		-	36,913
		106,413,833	33,154,324

19.1 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs. 904.52 million, Rs. nil and Rs. 25.07 million held in sub-accounts of the company. No directors/sponsors/employees/ clients security is pledged with the financial institutions except with National Clearing Company of Pakistan Ltd. amounting Rs. 10.74 million for exposure margin.

19.2 Creditors for sale of shares on behalf of clients include the following amount due to the following related parties:

Name of related party	Basis of relationship	2024 Rupees	2023 Rupees
Ch. Muhammad Afzal	Chief Exective/Director	893	543
Ch. Muhammad Arshad	Director	1,244	2,959
Ch. Muhammad Amjad	Shareholders	-	13,841
		2,137	17,343

	2024 Rupees	2023 Rupees
20 PROVISION FOR TAXATION AND LEVIES		
Opening balance	-	
Adjustment against tax deducted at source/advance tax		
Add: Provision for taxation and levies - current	1,344,979	1,086,207
	1,344,979	1,086,207
Adjustment against tax deducted at source/advance tax	(1,344,979)	(1,086,207)
	-	-

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

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

21.1.1 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.

21.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 9.25 million (2023: Rs.8.04) million to Pakistan Stock Exchange (PSX) on behalf of the company to meet the Base Minimum Capital requirements.

21.2 Commitments

Commitments in respect of capital expenditures as at June 30, 2024 were amounting Rs. 27.58 million (2023: Rs.26.28 million).

22 BROKERAGE AND COMMISSION	Note	2024 Rupees	2023 Rupees
Brokerage and commission		15,457,200	10,149,849
Less: Sales tax		(2,132,026)	(1,399,979)
		13,325,174	8,749,870

22.1 Brokerage and commission includes the following amounts of commission earned from related parties having shareholding as referred to note 16 to the financial statements:

Name of related party	Basis of relationship	Note	2024 Rupees	2023 Rupees
Ch. Muhammad Akhtar	Shareholder		4,445	12,586
Ch. Muhammad Amjad	Shareholder		281	250
Ch. Muhammad Afzal	Chief exective/ Director		42,591	17,079
Ch. Hamza Ahmed	Director		16,922	-
Ch. Muhammad Arshad	Director		1,354	596
			65,593	30,511

23 DIRECT COST

Charges paid to:		
Pakistan Stock Exchange Ltd.	457,487	688,806
Pakistan Mercantile Exchange Ltd.	6,000	6,000
National Clearing Company of Pakistan Ltd.	827,000	122,944
Central Depository Company of Pakistan Ltd.	794,874	259,330
Commission paid	-	357,775
	2,085,361	1,434,855

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	Note	2024 Rupees	2023 Rupees
24 OPERATING EXPENSES			
Directors' remuneration		1,969,614	3,001,850
Staff salaries and benefits		3,725,353	6,908,885
Rent, rates and taxes	24.1	47,480	347,248
Communication Charges		449,567	437,456
Utility expenses		528,116	439,389
Postage and courier		52,477	36,066
Printing and stationery		170,711	91,925
Repair and maintenance		208,608	183,136
Insurance		2,808	2,812
Legal and professional charges	24.2	240,900	1,063,789
Fee and subscription		2,126,150	603,877
Charity and donation		250,000	-
Books and newspapers		7,965	6,450
Entertainment		1,050,020	584,554
Travelling expenses		80,550	79,700
Vehicle running and maintenance		151,500	896,966
Depreciation	5	2,382,881	1,691,097
Others		338,492	187,014
		13,783,192	16,562,214

24.1 This includes short term lease payments (rentals) relating to following related parties having shareholding as referred to note 16 to the financial statements:

Particulars	2024 Rupees	2023 Rupees
Muhammad Afzal - Chief Executive	-	75,102
Muhammad Arshad - Director	-	75,102
Muhammad Akhter - Director	-	75,102
Muhammad Amjad - Director	-	75,102
	-	300,408

24.2 Auditor's remuneration

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

Amin, Mudassar & Co. Chartered Accountants	Note	2024 Rupees	2023 Rupees
Statutory audit		175,000	138,000
Certification fee		-	60,150
Corporate services		36,750	-
		211,750	198,150

25 OTHER OPERATING EXPENSES

Punjab workers welfare fund	852,941	-
Provision for doubtful debts	362,888	-
Unrealised loss on remeasurement of investment at fair value through profit or loss	3,395,339	7,687,496
	4,611,168	7,687,496

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		2024 Rupees	2023 Rupees
26 OTHER INCOME			
Income from financial assets			
Dividend income		5,872,105	6,194,343
Gain on remeasurement of investment at fair value through profit or loss	12	42,171,912	1,934,813
Interest income		144,558	118,122
Reversal of provision for doubtful debts		-	1,374,401
Income from assets other than financial assets			
Other income		1,444,441	1,061,366
Gain on disposal of vehicle		197,622	26,005
		49,830,638	10,709,050
27 FINANCE COST			
Bank charges		29,062	21,880

	2024 Rupees	2023 Rupees (Restated)
28 LEVIES		
Minimium tax	-	
Alternative corporate tax	464,163	140,054
Final tax	880,816	946,153
	1,344,979	1,086,207
29 TAXATION		
Income tax:		
-Current	-	-
-Deferred	5,022,765	(1,042,418)
-Prior	2,772	3,146
	5,025,537	(1,039,272)

29.1 Reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'levies' is as follows:

	2024 Rupees	2023 Rupees (Restated)
Classified as:		
Income tax	-	-
Levies	1,344,979	1,086,207
	1,344,979	1,086,207

29.2 Income tax assessment of the Company has been finalized up to tax year 2023 on the basis of returns filed as the company did not receive any notice in this respect.

29.3 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, alternative corporate tax or minimum tax regime of Income Tax Ordinance, 2001.

30 EARNINGS PER SHARE - BASIC AND DILUTED

	2024	2023
Profit/(loss) for the year-Rupees	36,276,513	(6,162,635)
Weighted average number of ordinary shares outstanding during the year-Numbers	11,000,000	11,000,000
Earnings per share-Rupees	3.30	(0.56)

31 NUMBER OF EMPLOYEES

	2024	2023
	(Number)	
Total number of employees at the end of year	7	15
Average number of employees at the year end	8	15

32 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	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	480,000	455,000	1,489,614	2,546,850
Number of persons	1	1	3	5

- The Chief Executive and all directors are entitled to free use of company's vehicles according to the company policy. It is impracticable to estimate the cost of the above.
- No employee meets the definition of executive as per the requirements of Companies Act, 2017.

33 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 Rupees	2023 Rupees
Financial assets and financial liabilities		
Financial assets		
At fair value through profit or loss:		
Long term investment	5,611,474	9,006,813
Investment in listed securities	95,752,880	53,580,967
At amortized cost		
Long term deposits	2,320,000	2,320,000
Trade debts	3,437,457	3,726,301
Trade deposits	1,659,690	1,711,190
Accrued interest	13,691	-
Cash and bank balances	107,126,288	33,078,985
	215,921,480	103,424,256
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	927,581	1,186,320
Trade and other payables	104,863,688	32,469,113
	105,791,269	33,655,433

34 FINANCIAL RISK MANAGEMENT

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

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

a) **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. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The objectives of credit risk management is to put in place sound credit approval processes for informed risk-taking and procedures for effective risk identification, monitoring and measurement.

Exposure to Credit Risk and Credit Risk Management

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, receivable / payable against sale of securities and other receivables etc. 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 net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. Credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Further, all transactions in listed securities are settled using National Clearing Company of Pakistan Limited, being the central clearing company of the country. The risk of default in such transactions is considered minimal, as delivery of security is guaranteed by the Stock Exchange.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

	Note	2024 Rupees	2023 Rupees
Long term deposits		2,320,000	2,320,000
Trade debts		3,437,457	3,726,301
Trade deposits		1,659,690	1,711,190
Accrued interest		13,691	-
Bank balances		106,945,786	32,895,180
		114,376,624	40,652,671

33.1.1 The maximum exposure to credit risk for trade debts is due from local clients and the aging of trade debts at the reporting date was:

	2024 Rupees	2023 Rupees
Up to 1 month	1,351,242	2,016,362
1 to 6 months	985,050	526,549
More than 6 months	5,928,818	6,223,880
	8,265,110	8,766,792
Less: Provision for doubtful debt	(4,827,653)	(5,040,491)
	3,437,457	3,726,301

Based on the past experience the management believes that no further allowance for doubtful debts is necessary in respect of unprovided past due amounts as there are reasonable grounds to believe that the amounts will be recovered in short course of time and there is adequate securities against these balances.

33.1.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate exposure is significant in relation to the Company's total 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.

Geographically there is no concentration of credit risk.

The credit quality of Company's cash and cash equivalents held with various commercial banks and financial institutions is assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2024	2023
	Short Term	Long Term		Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	5,515	5,760
Bank Al Habib Limited	A1+	AAA	PACRA	3,625,832	3,901,564
Bank Alfalah Limited	A1+	AAA	PACRA	2,621,358	58,352
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,784,718	7,852,514
MCB Bank Limited	A1+	AAA	PACRA	95,876,819	21,045,233
United Bank Limited	A1+	AAA	PACRA	-	413
Askari Bank Limited	A1+	AA+	PACRA	31,544	31,344
				106,945,786	32,895,180

b) **Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	2024			
	Carrying Amount	Contractual Cash Flows	Maturity Up to One Year	Maturity After One Year
	----------Rupees----------			
Deposits, accrued liabilities and advances	927,581	927,581	927,581	-
Trade and other payables	104,863,688	104,863,688	104,863,688	-
	105,791,269	105,791,269	105,791,269	-

	2023			
	Carrying Amount	Contractual Cash Flows	Maturity Up to One Year	Maturity After One Year
	----------Rupees----------			
Deposits, accrued liabilities and advances	1,186,320	1,186,320	1,186,320	-
Trade and other payables	32,469,113	32,469,113	32,469,113	-
	33,655,433	33,655,433	33,655,433	-

Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of liquidity ratios. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

c) **Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

i) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates.

Exposure to foreign currency risk

The company may exposed to currency risk on trade debts or other financial assets or liabilities that are denominated in a currency other than the respective functional currency of the company.

Foreign currency risk management

The company manage foreign currency risk through due monitoring of the exchange rate, adjusting net exposure and obtaining forward covers when necessary, The company does not enter into forward exchange contracts as at reporting date.

However, the company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupee.

ii) **Price Risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the company to incur significant mark-to-market and credit losses .The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

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

Sensitivity Analysis

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

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	Fair Value	Hypothetical Price Change	Estimated Fair Value After Hypothetical Change In Price	Hypothetical Increase / (Decrease) in Share Holders' Equity
June 30, 2024	101,364,354	10% increase	111,500,789	10,136,435
		10% decrease	91,227,919	(10,136,435)
June 30, 2023	62,587,780	10% increase	68,846,558	6,258,778
		10% decrease	56,329,002	(6,258,778)

iii) **Interest Rate Risk**

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

Sensitivity Analysis

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have following affect. A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on loss. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

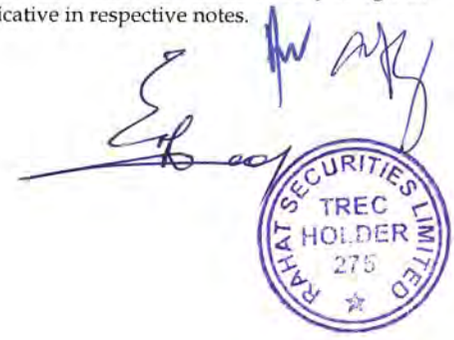
	2024		2023	
	Financial Asset	Financial Liability	Financial Asset	Financial Liability
Non- derivative financial instruments				
Variable rate instruments:				
National Clearing Company of Pakistan Ltd.	400,000	-	400,000	-
Cash and bank balances	-	-	-	-
	400,000	-	400,000	-

Cash flow sensitivity analysis for variable rate instruments

A 100 basis points increase in variable interest rates at the reporting date would have increased/ (decreased) profit for the year by the amount shown below. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

Profit or loss (100 bps)			
2024		2023	
Increase	Decrease	Increase	Decrease
Rupees			
4,000	(4,000)	4,000	(4,000)

The Company manages these mismatches through risk management strategies changes in gap position can be adjusted. The long term and short term borrowing and obligation under finance lease has variable rate pricing that is mostly depended on Karachi Inter Bank Offer Rate (" KIBOR") as indicative in respective notes.



34.2 Fair value of financial instruments

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.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically reprised.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements 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:

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

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The assets and liabilities that are measured at fair value on recurring and non-recurring basis have been disclosed in the relevant notes to the financial statements, if any.

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

	2024		
	Level 1	Level 2	Level 3
	----------Rupees----------		
Financial assets			
At fair value			
Short term investment in listed securities (on recurring basis)	95,752,880	-	-
Long term investment (on recurring basis)	5,611,474	-	-
	101,364,354	-	-

	2023		
	Level 1	Level 2	Level 3
	----------Rupees----------		
Financial assets			
At fair value			
Short term investment in listed securities (on recurring basis)	53,580,967	-	-
Long term investment (on recurring basis)	9,006,813	-	-
	62,587,780	-	-

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34.2.1 **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings:

	2024 Rupees	2023 Rupees
Total borrowings	-	-
Total equity	186,500,408	150,223,895
Total Capital	186,500,408	150,223,895
Gearing Ratio	0%	0%

35 OPERATING SEGMENT

35.1 These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

35.2 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, there were no significant reclassifications / restatements in these financial statements during the year.

Reclassification from statement of Statement of financial Position	Reclassification to statement of Financial Position	2023 Rupees
Trade deposits, short term prepayments and current account balance with statutory authorities	Tax deducted at source/ income tax refundable	4,474,330

38 GENERAL

Figures have been rounded off to the nearest rupee.

39 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 31 OCT 2024 by the Board of Directors of the Company.

CHIEF EXECUTIVE

PAHAT SECURITIES LIMITED TREC HOLDER

DIRECTOR

36 Liquid Capital Balance

The liquid capital balance has been prepared on the basis of Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan.

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.	**Assets**						
1.1	Property & Equipment	Balance Sheet Value net of depreciation	100% of net value	Nil	54,263,464	54,263,464	-
1.2	Intangible Assets	Balance Sheet Value net of amortization	100% of net value	Nil	9,420,000	9,420,000	-
1.3	Investment in Govt. securities	Balance Sheet Value	Difference between book value and sale value on the date on the basis of PKRV published by NIFT	Sale value on the date on the basis of PKRV published by NIFT	-	-	-
1.4	Investment in debt securities	Balance Sheet Value net of any provision	If listed than i. 5% of the balance sheet value in the case of tenure up to 1 year ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years iii. 10% of the balance sheet value, in the case of tenure of more than 3 years. If unlisted than i. 10% of the balance sheet value in the case of tenure up to 1 year ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	Net amount after deducting provisions and haircuts	-	-	-
1.5	Investment in equity securities	Balance Sheet Value net of any provision	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher	Net amount after deducting provisions and haircuts	84,903,523	12,740,035	72,163,488
			Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.		16,460,832	100%	-
			ii. If unlisted, 100% of carrying value		-	-	-
1.6	Investment in subsidiaries	Balance Sheet Value net of any provision	100% of net value	Nil	-	-	-
1.7	Investment in associated companies/undertaking	Balance Sheet Value net of any provision	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	Net amount after deducting provisions and haircuts	-	-	-

BAHAY SECURITIES LIMITED TREC HOLDER

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.8	Statutory or regulatory deposits/ basic deposits with exchanges, clearing house or central depository or any other entity	Balance Sheet Value	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.	Nil, or any excess cash amount.	2,250,000	2,250,000	-
1.9	Margin deposits with exchange and clearing house	Balance Sheet Value	Nil	Balance Sheet Value	400,000	-	400,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB	Balance Sheet Value	Nil	Balance Sheet Value	-	-	-
1.11	Other deposits and prepayments	Balance Sheet Value	100% of carrying value	Nil	5,675,333	5,675,333	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	Balance Sheet Value	Nil 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	Balance Sheet Value	13,691	13,691	-
1.13	Dividends receivables	Balance Sheet Value	Nil	Balance Sheet Value	-	-	-
1.14	Amount receivable against Repo financing	Balance Sheet Value	Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments	Balance Sheet Value	-	-	-
1.15	Advances and Receivables other than trade receivables	Balance Sheet Value	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months 2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation 3. In all other cases, 100% of net value	Adjusted Value	14,914,000	14,914,000	-
1.16	Receivables from clearing house or securities exchange(s)	Balance Sheet Value	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	Lower of net balance sheet value or value determined through adjustments		-	-
	Receivables from customers	Balance Sheet Value net of provisions	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut	i. Lower of net balance sheet value or value determined through adjustments	-	-	-
	Receivables from customers	Balance Sheet Value net of provisions	ii. In case receivables are against margin trading,5% of the net balance sheet value	ii. Net amount after deducting haircut	-	5%	

RAHAT SECURITIES LIMITED TREC HOLDER 275

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Receivables from customers	Balance Sheet Value net of provisions	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract	iii. Net amount after deducting haircut	-	-	-
	Receivables from customers	Balance Sheet Value net of provisions	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	iv. Balance sheet value	413,502	-	413,502
1.17	Receivables from customers	Balance Sheet Value net of provisions	v. In case 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	2,579,620	-	2,579,620
	Receivables from related parties	Balance Sheet Value net of provisions	vi. In the case of amount of receivable form 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;	vi. [Lower of net balance sheet values or values determined through adjustments.]	-		
			b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher;		-	50%	-
			c. Above 90 days, 100% haircut shall be applicable		444,335	100%	-
1.18	Cash and bank Balances	i. Bank balance – Proprietary accounts	Nil	Balance sheet value	1,380,046	3,662	1,376,384
		ii. Bank balance – Customer accounts	Nil	Balance sheet value	105,565,740	-	105,565,740
		iii. Cash in hand	Nil	Balance sheet value	180,502	-	180,502

RAHAT SECURITIES LIMITED TREC HOLDER 275

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.19	Subscription money against investment in IPO/ offer for sale (asset)	Balance Sheet Value	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 investments 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.	Balance sheet value or Net value after deducting haircuts.	-	-	-
1.20	**Total Assets**	**Balance Sheet Value**		**Adjusted Value**	**298,864,588**		**182,679,236**
2. Liabilities							
2.1	Trade payables	i. Payable to exchanges and clearing house	Nil	Balance sheet value	2,421,056	-	2,421,056
		ii. Payable against leveraged market products			-	-	-
		iii. Payable to customers			102,442,632	-	102,442,632
2.2	Current Liabilities	i. Statutory and regulatory dues	Nil	Balance sheet value	1,550,145	-	1,550,145
		ii. Accruals and other payables			927,581	-	927,581
		iii. Short-term borrowings			-	-	-
		iv. current portion of subordinated loans			-	-	-
		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	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. 2. Nil in all other cases	Nil or Balance sheet Value as the case may be	-	-	-
		ii. Staff retirement benefits			-	-	-
		iii. other liabilities as per accounting principles and included in the financial statements			5,022,765	-	5,022,765
2.4	Subordinated Loans	Balance Sheet Value	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	Net value after deducting adjustments, [if any.]	-	-	-

RAHAT SECURITIES LIMITED TREC HOLDER 275

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.5	Advance against shares for increase in capital of securities broker	Balance Sheet Value	100% Haircut may be allowed in respect of advance against shares if (a) The existing authorized share capital allows the proposed enhanced share capital (b) 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	Net amount after deducting haircuts	-	-	-
2.6	**Total Liabilities**	**Balance Sheet Value**		**Adjusted Value**	**112,364,179**		**112,364,179**
3.	**Ranking Liabilities relating to**						
3.1	Concentratio n in margin financing	Nil	The amount calculated [on] client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.	Amount as determined through adjustment	-	-	-
3.2	Concentratio n in securities lending and borrowing	Nil	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.]	Amount as determined through adjustment	-	-	-

RAHAT SECURITIES LIMITED
TREC HOLDER
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Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.3	Net underwriting Commitment s	Nil	**(a) in the case of rights issue:** 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 commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment **(b) in any other case:** 12 .5% of the net underwriting commitments	Amount as determined through adjustment	-	-	-
3.4	Negative equity of subsidiary	Nil	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	Amount as determined through adjustment	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	Nil	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	Amount as determined through adjustment	-	-	-
3.6	Amount payable under REPO	Balance sheet value	Carrying value	Carrying value	-	-	-
3.7	Repo adjustment	Nil	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	Amount as determined through adjustment	-	-	-

RAHAT SECURITIES LIMITED TREC HOLDER 275

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.8	Concentrated proprietary positions	Nil	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market value of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	Amount as determined through adjustment	-	8,326,884	8,326,884
3.9	Opening Positions in futures and options	Nil	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	Amount as determined through adjustment	-	-	-
3.10	Short sell positions	Nil	i. In case 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. In case 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	Amount as determined through adjustment	-	-	-
3.11	**Total Ranking Liabilities**			**Total determined amount**	-		**8,326,884**
					186,500,408		**61,988,173**
							61,988,173

Liquid Balance Balance

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	182,679,236
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(112,364,179)
(iii) Less: Total ranking liabilities (serial number 3.11)	(8,326,884)
Liquid Capital As At June 30, 2024	**61,988,173**

RAHAT SECURITIES LIMITED TREC HOLDER 275

AMIN, MUDASSAR & CO.
Chartered Accountants

IAPA INTERNATIONAL
Global Support Local Knowledge

CERTIFICATE OF CAPITAL ADEQUACY LEVEL

We, being the statutory auditor of M/s. Rahat Securities Limited, certify that the following information is correct and authenticated by us after due diligence from our side as at June 30, 2024.

	RUPEES
Total Assets	298,864,587
Less: Total Liabilities	112,364,179
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	186,500,408

Note:

1. While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by such Participant as at year ended June 30, 2024 as determined by Pakistan Stock Exchange has been considered.

2. Certificate of Capital Adequacy Level is an integral part of the financial statements for the year ended June 30, 2024.

CHARTERED ACCOUNTANTS

Dated: 31 OCT 2024

AMIN, MUDASSAR & CO. Chartered Accountants LAHORE

House No. 8/3, Aziz Avenue, Canal Road,
Gulberg-V, Lahore, Pakistan.
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Rahat Securities Limited

TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED.
UNIVERSAL MEMBER PAKISTAN MERCANTILE EXCHANGE LIMITED.
Head Office: Room # 617 & 618, Stock Exchange Building, Lahore.
Tel: 042 - 36303876 - 78, 36316208, 36316210 **Fax:** 042-36314253
E-mail: info@rahatonline.com Website: www.rahatonline.com

DIRECTOR'S REPORT

The Directors of your company welcome you to the Annual General Meeting and feel pleasure to present the annual report together with audit accounts for the year ended June 30, 2024.

The Financial results for the year under review are as under:

	2024 Rs.	2023 Rs.
Profit / (Loss) before Taxation	**42,676,029)**	**(6,115,700)**
Taxation – Levies	**(1,344,979)**	**(1,086,207)**
Net Profit/(Loss) after Taxation	**41,302,050**	**(7,201,907)**
Deferred/Prior Taxation	**(5,025,537)**	**1,039,272**
Profit/(Loss) for the year	**36,276,513**	**(6,162,635)**
Balance brought forward from previous Year	**40,223,895**	**106,356,820**
Bonus Shares Issued	**-**	**(53,750,000)**
Profit available for appropriation	**76,500,408**	**40,223,895**

COMPANY PERFORMANCE

The year under review, Company's business improve over previous year due to improvement in market conditions and increase in price of shares of listed companies held in portfolio of the company under the head "held for trading". The Pre-Tax Profit of Rs. 42,676,029/= as compared to Previous Year Pre-Tax Loss of Rs. (6,115,700/=) for the year ended June 30, 2024.

FUTURE PROSTECTS

The Company expects better prospects in the coming year and directors hope that during the coming year brokerage income and capital gain of the company will increase with the constant ratio. The directors are making continuous efforts to expend its current market.

DIVIDEND

No dividend has been declared during the year as the management is planning to expand the business activities.

Rahat Securities Limited

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E-mail: info@rahatonline.com Website: www.rahatonline.com

EPS

The Earning per Share for the year under review is Rs. 3.30 in comparison to Loss per Share of Rs. (0.56) in the preceding year.

AUDITORS

The present auditor M/S AMIN, MUDASSAR & COMPANY, Chartered Accountants, retire being eligible offer themselves for re-appointing.

The Directors wish to express their appreciation for the services rendered by all employee of the Company during the year.

On behalf of the Board of Directors

Chaudhry Muhammad Afzal
Chief Executive

RAHAT SECURITIES LIMITED TREC HOLDER 275

Lahore: October 30, 2024.