

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

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	53,518,506	54,263,464
Intangible assets	6	9,420,000	9,420,000
Long term investment	7	10,136,667	5,611,474
Long term advances	8	14,914,000	14,914,000
Long term deposits	9	2,320,000	2,320,000
		90,309,173	86,528,938
CURRENT ASSETS			
Trade debts	10	8,401,811	3,437,457
Loans and advances	11	363,026	-
Investment at fair value through profit or loss	12	217,248,126	95,752,880
Trade deposits, short term prepayments and current account balance with statutory authorities	13	3,808,727	1,911,783
Accrued interest		-	13,691
Tax deducted at source/income tax refundable	14	4,955,164	4,093,550
Cash and bank balances	15	140,084,917	107,126,288
		374,861,771	212,335,649
		465,170,944	298,864,587
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	16	110,000,000	110,000,000
Revenue reserve			
Un-appropriated profit		206,432,460	76,500,408
		316,432,460	186,500,408
NON CURRENT LIABILITIES			
Deferred taxation	17	5,022,765	5,022,765
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	18	263,500	927,581
Trade and other payables	19	143,452,219	106,413,833
Provision for taxation and levies	20	-	-
		143,715,719	107,341,414
CONTINGENCIES AND COMMITMENTS			
	21	-	-
		465,170,944	298,864,587

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

CHIEF EXECUTIVE



DIRECTOR

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

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees (Restated)
Brokerage and commission	22	11,642,410	13,325,174
Capital gain on marketable securities		(11,461)	-
		11,630,949	13,325,174
Direct cost	23	(1,278,300)	(2,085,361)
		10,352,649	11,239,813
Operating expenses	24	(7,242,938)	(13,783,192)
Other operating expenses	25	-	(4,611,168)
Other income	26	126,836,004	49,830,638
		119,593,066	31,436,278
PROFIT/(LOSS) FROM OPERATIONS		129,945,715	42,676,091
Finance cost	27	(13,663)	(29,062)
PROFIT/(LOSS) BEFORE TAXATION AND LEVY		129,932,052	42,647,029
Levies	28	-	(1,344,979)
PROFIT/(LOSS) BEFORE INCOME TAX		129,932,052	41,302,050
Income tax	29	-	(5,025,537)
PROFIT/(LOSS) FOR THE YEAR		129,932,052	36,276,513
EARNINGS PER SHARE - BASIC AND DILUTED	30	11.81	3.75

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


CHIEF EXECUTIVE




DIRECTOR

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

	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Profit/(loss) for the year	129,932,052	36,276,513
Items that may be reclassified subsequently to statement of profit or loss		
Reversal of accumulated gain on reclassification	-	-
Less: Deferred tax thereon	-	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive loss for the year	-	-
Total comprehensive income/(loss) for the year	<u>129,932,052</u>	<u>36,276,513</u>

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


CHIEF EXECUTIVE




DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2024

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

Balance as at June 30, 2023 110,000,000 40,223,895 - 150,223,895

Bonus shares issued during the year " " " "

Loss after taxation	-	36,276,513	-	36,276,513
Other comprehensive loss for the year	-	-	-	-

Total comprehensive loss for the year - 36,276,513 - 36,276,513

Balance as at June 30, 2024 110,000,000 76,500,408 - 186,500,408

Profit after taxation	-	129,932,052	-	129,932,052
Other comprehensive loss for the year	-	-	-	-

Total comprehensive income for the year - 129,932,052 - 129,932,052

Balance as at December 31, 2024 110,000,000 206,432,460 - 316,432,460

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


CHIEF EXECUTIVE




DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2024

	Note	2024 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation and levies		129,932,052	42,647,029
Adjustments of items not involving movements of cash:			
Depreciation	5	999,958	1,691,097
(Gain)/loss on remeasurement of investment at fair value through profit or loss	12	(4,525,193)	3,395,339
Capital gain on investment		11,461	-
Loss/(gain) on remeasurement of long term investment		-	(1,934,813)
Provision/(reversal) for doubtful debts		-	362,888
Short term lease payments		-	-
Dividend income		(5,728,508)	(5,872,105)
Interest income		(52,098)	(144,558)
Gain on disposal of vehicle		-	(26,005)
		(9,294,380)	(2,528,157)
Operating cash flows before working capital changes		120,637,672	40,118,872
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade debts		(762,756)	5,514,163
Loan and Advances		(363,026)	1,051,000
Trade deposits and short term prepayments		(1,896,944)	1,125,083
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(664,081)	(286,167)
Trade and other payables		37,038,386	(1,536,579)
		33,351,579	5,867,500
Cash generated from/(used in) operations		153,989,251	45,986,372
Taxes paid		(861,614)	(1,081,852)
Dividend received		5,728,508	5,872,105
Interest received		52,099	130,868
Short term lease payments		-	-
Net cash generated from operations		158,908,243	50,907,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(255,001)	(361,000)
Long term advances refunded/(disbursed)		-	(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		964,999	(8,338,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		159,873,242	42,568,993
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		79,404,981	36,835,988
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	239,278,223	79,404,981
A - Cash and Cash Equivalents			
Cash and bank balances	15	140,084,917	107,126,288
		140,084,917	107,126,288

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

CHIEF EXECUTIVE



DIRECTOR

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



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	129,932,052	0	129,932,052	42,647,029	(1,344,979)	41,302,050
Levies	-	0	0	-	(1,344,979)	(1,344,979)
Income tax expense	-	0	-	(6,370,516)	1,344,979	(5,025,537)

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
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.

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 outflow 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 exchange 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				Rate %	Depreciation				W.D.V	
	As at June 30, 2024	Additions	(Deletions)	As at Dec 31, 2024		As at June 30, 2024	Charge for the year	Transferred during the year	As at Dec 31, 2024	As at Dec 31, 2024	
	Rupees					Rupees					
OWNED											
Land	42,081,428	-	-	42,081,428	0	-	-	-	-	42,081,428	
Building	3,607,992	-	-	3,607,992	5	730,484	71,938	-	802,422	2,805,570	
Furniture and fittings	1,149,417	-	-	1,149,417	10	1,020,239	6,458	-	1,026,717	122,700	
Vehicles	15,289,097	-	-	15,289,097	20	7,049,317	823,978	-	7,873,295	7,415,802	
Office equipments	4,671,900	148,000	-	4,819,900	10	4,050,716	35,033	-	4,085,749	734,151	
Mobiles	129,300	-	-	129,300	30	98,667	4,595	-	103,262	26,038	
Computers	3,006,484	107,000	-	3,113,484	30	2,722,711	57,956	-	2,780,667	332,817	
	69,935,618	255,000	-	70,190,618		15,672,154	999,958	-	16,672,112	53,518,506	

Particulars	Cost				Rate %	Depreciation				W.D.V	
	As at June 30, 2023	Additions	(Deletions)	As at June 30, 2024		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	7,705	-	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	2,383,511	(1,287,622)	15,672,154	54,263,464	

5.1 Depreciation has been allocated as under:

Note	31-Dec 2024		30-Jun 2024	
	Rupees		Rupees	
Operating expenses	24	999,958	2,383,511	
		999,958	2,383,511	



	Note	31-Dec 2024 Rupees	30-Jun 2024 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
		<u>9,420,000</u>	<u>9,420,000</u>

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.

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
7 LONG TERM INVESTMENT			
Quoted shares at fair value through profit or loss			
7.1 Cost of investment			
Opening balance		7,072,000	7,072,000
Addition		-	-
Deletion		-	-
		<u>7,072,000</u>	<u>7,072,000</u>

7.2 Movement in fair value reserve:

Opening	(1,460,526)	1,934,813
Accumulated reserve transferred to profit or loss	-	-
Unrealized (loss)/gain charged in profit or loss	4,525,193	(3,395,339)
	<u>3,064,667</u>	<u>(1,460,526)</u>
	<u>10,136,667</u>	<u>5,611,474</u>

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 the Lahore 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	1,582,146	245,293	1,582,140	Pakistan Stock
LSE Venture Limited	842,810	8,554,522	842,810	8,554,522	Exchange for
	<u>1,088,104</u>	<u>10,136,668</u>	<u>1,088,103</u>	<u>10,136,661</u>	BMC



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	Note	31-Dec 2024 Rupees	30-Jun 2024 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	5,889,000
Muhammad Arshad	8.2 & 8.3	6,525,000	6,525,000
		12,414,000	12,414,000
		<u>14,914,000</u>	<u>14,914,000</u>

8.1 Advance to Director - Muhammad Afzal

Balance as at July 01,		5,889,000	5,889,000
Transferred during the year	11.1	-	-
(Refunded)/disbursed during the year		-	-
Repayments/adjustments made during the year		-	-
		<u>5,889,000</u>	<u>5,889,000</u>

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

8.2 Advance to Director - Muhammad Arshad

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Balance as at July 01,		6,525,000	-
Disbursed during the year		-	6,525,000
Repayments/adjustments made during the year		-	-
		<u>6,525,000</u>	<u>6,525,000</u>

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

- 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	31-Dec 2024 Rupees	30-Jun 2024 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
		<u>2,320,000</u>	<u>2,320,000</u>



	Note	31-Dec 2024 Rupees	30-Jun 2023 Rupees
10 TRADE DEBTS			
Receivable from:			
Clients on account of purchase of shares		9,027,866	7,820,775
Related parties on account of purchase of shares		-	444,335
		<u>9,027,866</u>	<u>8,265,110</u>
Less: Provision for doubtful debts	10.3	(4,827,653)	(4,827,653)
		<u>4,200,213</u>	<u>3,437,457</u>
Receivable from National Clearing Company of Pakistan Ltd.		4,199,635	-
Commission receivable from Central Depository Company of Pakistan Ltd.		1,963	-
		<u>8,401,811</u>	<u>3,437,457</u>
		31-Dec 2024 Rupees	30-Jun 2024 Rupees
10.3 Provision for doubtful debts	Note		
Opening balance		4,827,653	5,040,491
Add: Charge/(reversal) made during the year		-	362,888
Balances written off		-	(575,726)
		<u>4,827,653</u>	<u>4,827,653</u>
10.4 Aging analysis			
Upto five days		1,215,042	415,197
More than five days		7,997,437	3,022,260
		<u>9,212,479</u>	<u>3,437,457</u>



	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
11 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to employees		143,026	-
Advances to director	11.1	220,000	-
		<u>363,026</u>	<u>-</u>
11.1 Advance to Director - Muhammad Arshad			
Balance as at July 01,		-	-
Disbursed during the year		5,000,000	-
Recovered/adjustments made during the year		<u>(4,780,000)</u>	<u>-</u>
		<u>220,000</u>	<u>-</u>
12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Investment in listed securities			
Cost	12.1	59,986,462	54,110,232
Gain/(Loss) on remeasurement of investment at fair value	12.2	<u>157,261,664</u>	<u>41,642,648</u>
		<u>217,248,126</u>	<u>95,752,880</u>
12.1 Cost of investment			
Opening balance		54,110,232	54,110,232
Addition during the year		8,149,872	-
Redemption during the year		<u>(2,273,642)</u>	<u>-</u>
		59,986,462	54,110,231
12.2 Movement in fair value reserve:			
Opening balance		41,642,648	(529,264)
Realized during the year		-	-
Unrealized gain/(loss) on remeasurement		<u>115,619,016</u>	<u>42,171,912</u>
		<u>157,261,664</u>	<u>41,642,648</u>
		<u>217,248,126</u>	<u>95,752,879</u>
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.			



		31-Dec 2024 Rupees	30-Jun 2024 Rupees
13	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES		
	Deposits with:		
	National Clearing Company of Pakistan Ltd.	2,700,000	400,000
	Pakistan Mercantile Exchange Ltd.	1,108,727	1,259,690
	Sale tax receivable	-	252,093
		<u>3,808,727</u>	<u>1,911,783</u>

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

14 INCOME TAX REFUNDABLE/TAX DEDUCTED AT SOURCE

Opening balance	4,093,550	4,474,330
Tax deducted at source during the year	861,614	966,971
	<u>4,955,164</u>	<u>5,441,301</u>
Adjustments made during the year against:		
Payable against prior year provision	-	-
Provision for taxation and levies - prior year		(2,772)
Provision for taxation and levies - current year		(1,344,979)
	-	<u>(1,347,751)</u>
	<u>4,955,164</u>	<u>4,093,550</u>

15 CASH AND BANK BALANCES

These were held as under:

Cash in hand	174,622	180,502
Cash at banks		
in current accounts:		
Pertaining to brokerage house	1,668,062	1,380,046
Pertaining to clients	138,242,234	105,565,740
	<u>139,910,295</u>	<u>106,945,786</u>
	<u>140,084,917</u>	<u>107,126,288</u>

15.1 This includes balance amounting Rs. 103,490 (2024: Rs. 3,662) pertaining to proprietary account with Pakistan Mercantile Exchange Limited.

		31-Dec 2024 Rupees	30-Jun 2024 Rupees
16	SHARE CAPITAL		
	Authorized		
	11,000,000 (2023: 6,000,000) ordinary shares of Rs.10 each	<u>110,000,000</u>	<u>110,000,000</u>
	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
		<u>110,000,000</u>	<u>110,000,000</u>



16.1 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2024	2024	2024	2024
Categories of shareholders				
Individual				
Chief Executive officer (CEO):				
Ch. Muhammad Afzal	39.67%	39.67%	4,363,235	4,363,235
Directors:				
Ch. Muhammad Ashraf	20.00%	20.00%	2,199,840	2,199,840
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	0.01%	0.01%	800	800
Mr. Hamza Ahmed	0.19%	0.19%	20,800	20,800
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
Muhammad Omer Ch.	0.19%	0.19%	20,800	20,800
	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	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		102,442	102,442
Provincial workers welfare fund payable		(319,424)	(319,424)
Unrealised (loss)/ gain on long term investment		(182,566)	(182,566)
Unrealised gain/(loss) on short term investment		5,205,331	5,205,331
Provision against doubtful debts		(1,338,296)	(1,338,296)
Minimum taxes paid		(253,061)	(253,061)
Alternate corporate tax paid		(1,681,536)	(1,681,536)
Taxable losses		(552,913)	(552,913)
Deferred tax asset not recognised		4,042,788	4,042,788
		5,022,765	5,022,765
Balance as at July 01,		5,022,765	-
Charge for the year to statement of profit or loss		-	5,022,765
Charge for the year in OCI		-	-
		5,022,765	5,022,765

17.1 At the year end, net deferred tax asset in respect of deductible 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



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	1,144,754	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	31-Dec 2024 Rupees	30-Jun 2024 Rupees
18 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		263,500	927,581
19 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	19.1 & 19.2	141,346,925	102,442,632
Sale tax payable		566,892	11,993
Payable to National Clearing Company of Pakistan Ltd.		-	2,421,056
Punjab workers welfare fund payable		1,537,902	1,537,902
Tax deducted at source payable		500	250
		143,452,219	106,413,833

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	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Ch. Muhammad Afzal	Chief Executive/Director	893	893
Ch. Muhammad Arshad	Director	1,244	1,244
Ch. Muhammad Amjad	Shareholders	-	-
		2,137	2,137
20 PROVISION FOR TAXATION AND LEVIES			
Opening balance		-	-
Adjustment against tax deducted at source/advance tax		-	1,344,979
Add: Provision for taxation and levies - current		-	1,344,979
		-	(1,344,979)
Adjustment against tax deducted at source/advance tax		-	-
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).

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
22 BROKERAGE AND COMMISSION			
Brokerage and commission		13,221,924	15,457,200
Less: Sales tax		(1,579,514)	(2,132,026)
		<u>11,642,410</u>	<u>13,325,174</u>

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	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Ch. Muhammad Akhtar	Shareholder		-	4,445
Ch. Muhammad Amjad	Shareholder		-	281
Ch. Muhammad Afzal	Chief executive/ Director		-	42,591
Ch. Hamza Ahmed	Director		-	16,922
Ch. Muhammad Arshad	Director		-	1,354
			<u>-</u>	<u>65,593</u>

23 DIRECT COST

Charges paid to:

Pakistan Stock Exchange Ltd.	421,540	457,487
Pakistan Mercantile Exchange Ltd.	-	6,000
National Clearing Company of Pakistan Ltd.	539,363	827,000
Central Depository Company of Pakistan Ltd.	317,397	794,874
Commission paid	-	-
	<u>1,278,300</u>	<u>2,085,361</u>



	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
24 OPERATING EXPENSES			
Directors' remuneration		1,080,000	1,969,614
Staff salaries and benefits		2,131,315	3,725,353
Rent, rates and taxes	24.1	47,480	47,480
Communication Charges		242,150	449,567
Utility expenses		297,219	528,116
Postage and courier		27,531	52,477
Printing and stationery		60,237	170,711
Repair and maintenance		107,940	208,608
Insurance		4,346	2,808
Legal and professional charges	24.2	92,000	240,900
Fee and subscription		963,345	2,126,150
Charity and donation		-	250,000
Books and newspapers		4,105	7,965
Entertainment		271,181	1,050,020
Travelling expenses		159,365	80,550
Vehicle running and maintenance		409,737	151,500
Depreciation	5	999,958	2,382,881
Others		345,029	338,492
		<u>7,242,938</u>	<u>13,783,192</u>

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	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Muhammad Afzal - Chief Executive	-	-
Muhammad Arshad - Director	-	-
Muhammad Akhter - Director	-	-
Muhammad Amjad - Director	-	-
	<u>-</u>	<u>-</u>

24.2 Auditor's remuneration

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

	Note	31-Dec 2024 Rupees	30-Jun 2024 Rupees
Amin, Mudassar & Co.			
Chartered Accountants			
Statutory audit		-	175,000
Certification fee		-	-
Corporate services		-	36,750
		<u>-</u>	<u>211,750</u>

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
	<u>-</u>	<u>4,611,168</u>



		31-Dec 2024 Rupees	30-Jun 2024 Rupees
26 OTHER INCOME			
Income from financial assets			
Dividend income		5,728,508	5,872,105
Gain on remeasurement of investment at fair value through profit or loss	12	4,525,193	42,171,912
Gain on remeasurement of investment at fair value through profit or loss		115,619,016	-
Interest income		52,098	144,558
Reversal of provision for doubtful debts		-	-
Income from assets other than financial assets			
Other income		911,190	1,444,441
Gain on disposal of vehicle		-	197,622
		<u>126,836,004</u>	<u>49,830,638</u>

27 FINANCE COST

Bank charges		13,663	29,062
		<u>31-Dec 2024 Rupees</u>	<u>30-Jun 2024 Rupees</u>

28 LEVIES

Minimum tax	-	-
Alternative corporate tax	-	464,163
Final tax	-	880,816
	<u>-</u>	<u>1,344,979</u>

29 TAXATION

Income tax:		
-Current	-	-
-Deferred	-	-
-Prior	-	2,772
	<u>-</u>	<u>2,772</u>

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	2024 Rupees
Classified as:		
Income tax	-	-
Levies	-	1,344,979
	<u>0</u>	<u>1,344,979</u>

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

31-Dec
2024

30-Jun
2024

Profit/(loss) for the year-Rupees	129,932,052	41,299,278
Weighted average number of ordinary shares outstanding during the year-Numbers	11,000,000	11,000,000
Earnings per share-Rupees	11.81	3.75

31 NUMBER OF EMPLOYEES

31-Dec
2024

30-Jun
2024

(N u m b e r)

Total number of employees at the end of year	7	7
Average number of employees at the year end	8	8

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	2024	2024	2024
	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

2024
Rupees

Financial assets and financial liabilities

Financial assets

At fair value through profit or loss:

Long term investment	10,136,667	5,611,474
Investment in listed securities	217,248,126	95,752,880

At amortized cost

Long term deposits	2,320,000	2,320,000
Trade debts	8,401,811	3,437,457
Trade deposits	3,808,727	1,659,690
Accrued interest	-	13,691
Cash and bank balances	140,084,917	107,126,288
	382,000,248	215,921,480

Financial liabilities

At amortized cost

Deposits, accrued liabilities and advances	263,500	927,581
Trade and other payables	141,346,925	104,863,688
	141,610,425	105,791,269

