RAHAT SECURITIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, 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 a summary of significant accounting policies 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, 2023 and of the loss, total comprehensive loss, 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.

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 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); and

e) the company has duly complied 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 and the Futures Brokers (Licensing and Operations) Regulations, 2018 where applicable as at the date on which the financial statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Daoud.

CHARTERED ACCOUNTANTS

Lahore:

UDIN: AR2023100826MJePHj4I

RAHAT SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	50,939,986	53,519,078
Intangible assets	5	9,420,000	9,420,000
Long term investment	6	9,006,813	15,832,971
Long term advances	7	16,221,000	2,500,000
Long term deposits	8	2,320,000	2,320,000
		87,907,799	83,592,049
CURRENT ASSETS			
Trade debts	9	3,726,301	7,866,062
Loans and advances	10	84,966	1,135,966
Investment at fair value through profit or loss	11	53,580,967	65,605,139
Trade deposits, short term prepayments and current account balance with statutory authorities	12	6,185,520	7,773,070
Cash and bank balances	13	33,078,985	36,835,988
		96,656,739	119,216,225
		184,564,538	202,808,274
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	14	110,000,000	56,250,000
Revenue reserve			
Un-appropriated profit		40,223,895	100,136,531
Capital reserve			
Fair value adjustment reserve	15	-	6,220,289
		150,223,895	162,606,820
NON CURRENT LIABILITIES			
Deferred taxation	16	-	3,583,100
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	17	1,186,320	1,472,487
Trade and other payables	18	33,154,323	34,690,902
Provision for taxation		-	454,965
		34,340,643	36,618,354
CONTINGENCIES AND COMMITMENTS	19	-	-
		184,564,538	202,808,274

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, 2023

	Note	2023 Rupees	2022 Rupees
Brokerage and commission	20	8,749,870	11,187,225
Capital gain/(loss) on marketable securities		131,825	(136,779)
		8,881,695	11,050,446
Direct cost	21	(1,434,855)	(963,308)
		7,446,840	10,087,138
Operating expenses	22	(16,562,214)	(14,295,052)
Other operating expenses	23	(7,687,496)	(1,931,022)
Other income	24	10,709,049	14,142,313
		(13,540,661)	(2,083,761)
(LOSS)/PROFIT FROM OPERATIONS		(6,093,821)	8,003,377
Finance cost	25	(21,880)	(24,637)
(LOSS)/PROFIT BEFORE TAXATION		(6,115,701)	7,978,740
Taxation	26	(46,935)	(2,537,180)
(LOSS)/PROFIT FOR THE YEAR		(6,162,636)	5,441,560
			Restated
EARNINGS PER SHARE - BASIC AND DILUTED	27	(0.56)	0.49

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, 2023

	2023 Rupees	2022 Rupees
(Loss)/profit for the year	(6,162,636)	5,441,560
Items that may be reclassified subsequently to statement of profit or loss		
Loss on investment categorised as fair value through other comprehensive income	-	(2,278,733)
Reversal of accumulated gain on reclassification	(8,760,971)	-
Less: Deferred tax thereon	2,540,682	(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)	(4,819,415)
Total comprehensive (loss)/income for the year	(12,382,925)	622,145

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

CHIEF EXECUTIVE **DIRECTOR**

RAHAT SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Paid up capital	Un-appropriated profit	Fair Value Adjustment Reserve	Total
	--------- (R	u p	e e	s) ---------
Balance as at June 30, 2021	56,250,000	94,694,971	11,039,704	161,984,675
Profit after taxation	-	5,441,560	-	5,441,560
Other comprehensive loss for the year	-	-	(4,819,415)	(4,819,415)
Total comprehensive income for the year	-	5,441,560	(4,819,415)	622,145
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**

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

CHIEF EXECUTIVE

DIRECTOR

RAHAT SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(6,115,701)	7,978,740
Adjustments of items not involving movements of cash:			
Depreciation	4	1,691,097	2,136,431
Loss/(gain) on remeasurement of investment at fair value through profit or loss	11	529,264	(6,757,810)
Gain on remeasurement on long term investment		(1,934,813)	-
(Reversal)/provision for doubtful debts		(1,374,401)	1,771,447
Balances written off		(22,021)	-
Gain on disposal of vehicle		(26,005)	-
		(1,136,879)	(2,849,932)
Operating cash flows before working capital changes		(7,252,580)	5,128,808
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Account receivables		5,536,184	(2,255,467)
Loan and Advances		1,051,000	217,826
Trade deposits and short term prepayments		1,125,083	875,255
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(286,167)	(10,516,284)
Trade and other payables		(1,536,579)	(9,148,542)
		5,889,521	(20,827,212)
Cash used in operations		(1,363,059)	(15,698,404)
Taxes paid		(1,081,852)	(1,039,797)
Net cash used in operations		(2,444,911)	(16,738,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(361,000)	(12,000)
Long term advances paid		(13,721,000)	-
Short term investments - net		11,494,908	(2,842,016)
Proceeds from disposal of vehicle		1,275,000	-
Net cash generated from/(used in) investing activities		(1,312,092)	(2,854,016)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,757,003)	(19,592,217)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		36,835,988	56,428,205
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	33,078,985	36,835,988
A Cash and Cash Equivalents			
Cash and bank balances	13	33,078,985	36,835,988
		33,078,985	36,835,988

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

CHIEF EXECUTIVE

DIRECTOR

RAHAT SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 COMPANY AND ITS OPERATION

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

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

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

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

3.2 INTANGIBLE ASSETS

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

3.2.1 Membership card and offices

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

3.2.2 Computer Software

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

Costs associated with maintaining computer software programs are recognized as an

expense when incurred.

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

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

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

3.3 FINANCIAL ASSETS

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

3.4 FINANCIAL LIABILITIES

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

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

3.6 TRADE DEBTS AND OTHER RECEIVABLES

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

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

3.7 CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS

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

3.8 CASH AND CASH EQUIVALENTS

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

3.9 BORROWINGS

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

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

3.10 TAXATION

Current

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

Deferred

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

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

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

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

3.11 TRADE AND OTHER PAYABLES

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

3.12 PROVISIONS

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

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

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

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

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

3.13 CONTINGENT LIABILITIES

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

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

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

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

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

3.16 REVENUE RECOGNITION

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.

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

3.17 BASIC AND DILUTED EARNINGS PER SHARE

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

3.18 RELATED PARTY TRANSACTIONS

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

3.19 TRADE DATE ACCOUNTING

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

4 Property and equipment

Particulars	As at June 30, 2022	Additions
	----------R u	
OWNED		
Land	42,081,428	-
Building	3,607,992	-
Furniture and fittings	1,149,417	-
Vehicles	13,012,660	-
Office equipments	4,671,900	
Mobiles	112,000	-
Computers	2,645,484	361,00(
	67,280,881	**361,00(**

Particulars	As at June 30, 2021	Additions
	----------R u	
OWNED		
Land	42,081,428	-
Building	3,607,992	-
Furniture and fittings	1,149,417	-
Vehicles	13,012,660	-
Office equipments	4,659,900	12,000
Mobiles	112,000	-
Computers	2,645,484	-
	67,268,881	**12,000**

4.1 Depreciation has been allocated as under:

	Note	2023 Rupees
Operating expenses	22	1,691,097
		1,691,097

	Note	2023 Rupees	2022 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate	**5.1**	2,500,000	2,500,000
Membership of Pakistan Merchantile Exchange Limited		250,000	250,000
Rights of rooms		5,870,000	5,870,000
Membership of Royal Palm Country Club		800,000	800,000
		9,420,000	9,420,000

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

6 LONG TERM INVESTMENT	Note	2023 Rupees	2022 Rupees
Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited (Previously un-quoted shares of LSE Financial Services Limited)			
Investment at fair value through profit or loss			
Cost as at July 01,	**6.2**	7,072,000	7,072,000
Fair value adjustment		1,934,813	8,760,971
		9,006,813	15,832,971
6.1 Movement in fair value reserve:			
Opening balance		6,220,289	11,039,704
Accumulated reserve transferred to profit or loss		(6,220,289)	-
Gain on re-measurement of investment		1,934,813	(4,819,415)
		1,934,813	6,220,289

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

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

	Note	2023 Rupees	2022 Rupees
7 LONG TERM ADVANCES			
Advance against room in NCEL Building Management Ltd.		2,500,000	2,500,000
Advance to directors against purchase of office :			
Muhammad Afzal	7.1	7,196,000	-
Muhammad Arshad	7.2	6,525,000	-
		13,721,000	-
		16,221,000	2,500,000

7.1 Advance to Director - Muhammad Afzal

Balance as at July 01,		-	-
Transfered during the year	10.1	371,000	
Disbursed during the year		6,825,000	-
Repayments/adjustments made during the year		-	-
		7,196,000	-

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

7.2 Advance to Director - Muhammad Arshad

	Note	2023 Rupees	2022 Rupees
Balance as at July 01,		-	-
Disbursed during the year		6,525,000	-
Repayments/adjustments made during the year		-	-
		6,525,000	-

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

	Note	2023 Rupees	2022 Rupees
8 LONG TERM DEPOSITS			
Deposits with:			
National Clearing Company of Pakistan Ltd.		1,400,000	1,400,000
Pakistan Mercantile Exchange Ltd.		750,000	750,000
Central Depository Company of Pakistan Ltd.		100,000	100,000
Others		70,000	70,000
		2,320,000	2,320,000

	Note	2023 Rupees	2022 Rupees
9 TRADE DEBTS			
Receivable from:			
Clients on account of purchase of shares		8,765,637	8,949,453
Related parties on account of purchase of shares	9.1	1,155	5,347,881
		8,766,792	14,297,334
Less: Provision for doubtful debts	9.3	(5,040,491)	(6,436,913)
		3,726,301	7,860,421
Central Depository Company of Pakistan Ltd.		-	5,641
		3,726,301	7,866,062

9.1 Receivable from related party	Maximum aggregate Rupees		
Muhammad Akhtar - Director	5,349,237	1,155	5,347,881
		1,155	5,347,881

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

Name	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2023
	----------Rupees----------			
Muhammad Akhtar	-	-	1,155	1,155
	-	-	1,155	1,155

9.3 Provision for doubtful debts	Note	2023 Rupees	2022 Rupees
Opening balance		6,436,913	4,665,466
Add: (Reversal)/provision made during the year		(1,374,401)	1,771,447
Balances written off		(22,021)	-
		5,040,491	6,436,913

9.4 This includes provision amounting Rs. Nil (2022: Rs. 1,607,397) against receivable from Muhammad Akhter (Director). Provision is based on balances outstanding for more than 5 days exceeding market value of holding securities after VAR haircut.

9.5 Provision for doubtful debts	Note	2023 Rupees	2022 Rupees
Aging analysis			
Upto five days		108,262	814,150
More than five days		3,617,876	7,051,913
		3,726,138	7,866,063

	Note	2023 Rupees	2022 Rupees
10 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to directors:			
Muhammad Afzal		-	371,000
Arif Mehmood	10.2	72,267	84,267
		72,267	455,267
Advances to employees against salary:			
Employees		12,699	680,699
		84,966	1,135,966

10.1 Loan to Director - Muhammad Afzal

Balance as at July 01,		371,000	371,000
Disbursed during the year		-	-
Repayments/adjustments made during the year		-	-
Opening transferred during the year to long term advances	7.1	(371,000)	-
		-	371,000

10.2 Loan to Director - Arif Mehmood

Balance as at July 01,		84,267	97,267
Disbursed during the year		5,000	1,000
Repayments/adjustments made during the year		(17,000)	(14,000)
		72,267	84,267

The maximum aggregate amount outstanding at the month-end balance was amounting Rs.85,267 (2022: Rs. 111,267).

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

Name	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2023
	----------Rupees----------			
Arif Mehmood	-	-	72,267	72,267
	-	-	72,267	72,267

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	Note	2023 Rupees	2022 Rupees
Investment in listed securities			
Cost as on July 01,		54,110,231	58,847,329
(Loss)/gain on remeasurement of investment at fair value		(529,264)	6,757,810
	11.2	53,580,967	65,605,139

11.1 Movement in fair value reserve:

	Rupees
Opening balance	6,757,810
Unrealized loss transferred on disposal	(7,687,496)
Gain on re-measurement of investment	400,422
	(529,264)

11.2 This includes shares having carrying value of Rs. nil (2022: Rs. nil) pledged with financial institutions and shares amounting Rs. 10.86 million (2022: Rs. 9.66 million) pledged with National Clearing Company of Pakistan Limited for exposure margins and shares amounting Rs. 7.57 million (2022: Rs. nil) pledged with Pakistan Stock Exchange for BMC purposes.

12 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES	Note	2023 Rupees	2022 Rupees
Deposits with:			
National Clearing Company of Pakistan Ltd.		400,000	700,000
Pakistan Mercantile Exchange Ltd.		1,311,190	2,127,430
Tax deducted at source		4,474,330	4,936,796
Other receivable		-	8,844
		6,185,520	7,773,070

13 CASH AND BANK BALANCES			
These were held as under:			
Cash in hand		183,805	181,804
Cash at banks			
in current accounts:			
Pertaining to brokerage house	13.1	199,613	1,735,023
Pertaining to clients		32,695,567	34,919,161
		32,895,180	36,654,184
		33,078,985	36,835,988

13.1 This includes balance amounting Rs. 101,935 (2022: Rs. 85,349) pertaining to proprietary account with Pakistan Mercantile Exchange Limited.

14 SHARE CAPITAL

	Note	2023 Rupees	2022 Rupees
Authorized			
11,000,000 (2022: 6,000,000) ordinary shares of Rs.10 each		110,000,000	60,000,000
Issued, subscribed and paid up			
3,750,000 (2022: 3,750,000) ordinary shares of Rs.10 each fully paid in cash		37,500,000	37,500,000
7,250,000 (2022: 1,875,000) bonus shares of Rs.10 issued to shareholders	**14.1**	72,500,000	18,750,000
		110,000,000	56,250,000

14.1 Movement of Bonus Shares issued

Bonus shares as on July 01,	18,750,000	18,750,000
Bonus shares issued during the year	53,750,000	-
Bonus shares at June 30	72,500,000	18,750,000

14.2 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2023	2022	2023	2022
Categories of shareholders				
Individual				
Chief Executive officer (CEO):				
Ch. Muhammad Afzal	39.67%	22.38%	4,363,235	1,258,688
Directors:				
Ch. Muhammad Ashraf	19.90%	11.11%	2,189,440	625,125
Ch. Muhammad Arshad	37.36%	20.73%	4,109,502	1,166,063
Ch. Muhammad Akhtar	0.01%	21.36%	978	1,201,687
Ch. Muhammad Amjad	0.01%	21.36%	978	1,201,687
Mrs. Mina Arshad Ch.	2.44%	2.44%	268,400	137,250
Mr. Arif Mehmood	0.48%	0.48%	52,800	27,000
Shareholders:				
Mrs. Humaira Afzal	0.13%	0.13%	14,667	7,500
	100%	100%	11,000,000	5,625,000

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

	Note	2023 Rupees	2022 Rupees

15 FAIR VALUE ADJUSTMENT RESERVE

Fair value adjustment reserve	-	6,220,289

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

16 DEFERRED TAXATION

	Note	2023 Rupees	2022 Rupees
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		76,673	28,746
Unrealised gain on available for sale investment		241,852	2,540,682
Unrealised gain on short term investment		(79,390)	1,013,672
Provision against doubtful debts		(1,461,742)	(1,866,705)
Minimum taxes paid		(321,999)	(190,967)
Alternate corporate taxes paid		(1,217,373)	(1,217,373)
Taxable losses		(1,449,748)	(1,102,805)
Deferred tax asset not recognised		4,211,727	4,377,850
		-	3,583,100
Balance as at July 01,		3,583,100	-
Charge for the year in profit or loss		(1,042,418)	1,042,418
Charge for the year in OCI		(2,540,682)	2,540,682
		-	3,583,100

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

16.2 **Minimum taxes would expire as follows:**

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2019	68,938	2024
2020	113,007	2025
2023	140,054	2026

16.3 **Alternative corporate taxes would expire as follows:**

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

16.4 Business losses would expire as follows:

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire
2023	209,393	2029

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

Accounting year to which depreciation loss relates	Amount of depreciation losses (Rupees)	Accounting year in which depreciation loss will expire
2013	2,027,121	No expiry limit
2016	281,374	No expiry limit
2018	70,375	No expiry limit
2019	475,560	No expiry limit
2020	948,299	No expiry limit
2023	987,011	No expiry limit

	Note	2023 Rupees	2022 Rupees
17 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		1,186,320	1,472,487
18 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	18.1& 18.2	32,399,705	33,097,814
National Clearing Company of Pakistan Ltd.		32,495	905,127
Punjab workers welfare fund payable		684,961	684,961
Tax deducted at source payable		250	3,000
Other Payable		36,913	-
		33,154,323	34,690,902

18.1 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs. 736.34 million, Rs. 0.29 million and Rs. 10.75 million held in sub-accounts of the company. No client security is pledged with the financial institutions except with National Clearing Company of Pakistan Ltd. amounting Rs. 0.34 for exposure margin.

18.2 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	2023 Rupees	2022 Rupees
Ch. Muhammad Afzal	Director	543	2,904,359
Ch. Muhammad Arshad	Director	2,959	598
Ch. Muhammad Amjad	Director	13,841	58,456
		17,343	2,963,413

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

Contingencies as at reporting date were Rs. nil (2022: Rs. nil).

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

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

19.2 Commitments

Commitments in respect of capital expenditures as at June 30, 2023 were amounting Rs. 26.28 million (2022: Rs. nil).

20 BROKERAGE AND COMMISSION	Note	2023 Rupees	2022 Rupees
Brokerage and commission		10,149,849	12,977,179
Less: Sales tax		1,399,979	1,789,954
		8,749,870	11,187,225

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

Name of related party	Basis of relationship	Note	2023 Rupees	2022 Rupees
Ch. Muhammad Akhtar	Director		12,586	260,738
Ch. Muhammad Amjad	Director		250	-
Ch. Muhammad Afzal	Director		17,079	141,841
Ch. Muhammad Arshad	Director		596	1,828
			30,511	404,407

21 DIRECT COST

Charges paid to:		
Pakistan Stock Exchange Ltd.	688,806	743,047
Pakistan Mercantile Exchange Ltd.	6,000	
National Clearing Company of Pakistan Ltd.	122,944	56,109
Central Depository Company of Pakistan Ltd.	259,330	164,152
Commission paid	357,775	-
	1,434,855	963,308

	Note	2023 Rupees	2022 Rupees
22 OPERATING EXPENSES			
Directors' remuneration		3,001,850	1,154,400
Staff salaries and benefits		6,908,885	6,412,381
Rent, rates and taxes	**22.1**	347,248	365,435
Communication Charges		437,456	487,837
Utility expenses		439,389	360,344
Postage and courier		36,066	22,902
Printing and stationery		91,925	130,879
Repair and maintenance		183,136	139,427
Insurance		2,812	3,151
Legal and professional charges	**22.2**	1,063,789	935,864
Fee and subscription		603,877	202,793
Charity and donation		-	275,000
Books and newspapers		6,450	6,088
Entertainment		584,554	473,487
Travelling expenses		79,700	58,463
Vehicle running and maintenance		896,966	776,320
Depreciation	**4**	1,691,097	2,136,431
Others		187,014	353,850
		16,562,214	14,295,052

22.1 This includes rent expenses relating to following related parties:

Particulars	2023 Rupees	2022 Rupees
Muhammad Afzal - Chief Executive	75,102	80,114
Muhammad Arshad - Director	75,102	80,114
Muhammad Akhter - Director	75,102	80,114
Muhammad Amjad - Director	75,102	80,114
	300,408	320,456

22.2 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	2023 Rupees	2022 Rupees
Statutory audit		138,000	125,000
Certification fee		60,150	71,375
Corporate Services		-	26,250
		198,150	222,625

23 OTHER OPERATING EXPENSES

Punjab workers welfare fund	-	159,575
Balances written off	-	-
Provision for doubtful debts	-	1,771,447
Unrealised loss on remeasurement of investment at fair value through profit or loss	7,687,496	
	7,687,496	1,931,022

		2023 Rupees	2022 Rupees
24 OTHER INCOME			
Income from financial assets			
Dividend income		6,194,343	6,541,546
Gain on remeasurement of investment at fair value through profit or loss	11	-	6,757,810
Interest on deposits with NCCPL		118,122	110,999
IPO Commission		-	35,752
Reversal of provision for doubtful debts		1,374,401	-
Unrealized gain on remeasurement of long term investment		1,934,813	-
Income from assets other than financial assets			
Other income		1,061,366	660,042
Balances written back		-	36,164
Gain on disposal of vehicle		26,005	-
		10,709,049	14,142,313
25 FINANCE COST			
Bank charges		21,880	24,637
26 TAXATION			
Income tax:			
-Current		1,086,207	1,494,762
-Deferred		(1,042,418)	1,042,418
-Prior		3,146	-
		46,935	2,537,180

26.1 Income tax assessment of the Company has been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any notice in this respect.

26.2 No numeric tax rate reconciliation has been presented for the current and prior year in these financial statements as the company is either liable to pay tax under final tax regime or minimum tax regime of Income Tax Ordinance, 2001.

27 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022 Restated
(Loss)/profit for the year-Rupees	(6,162,636)	5,441,560
Weighted average number of ordinary shares outstanding during the year-Numbers	11,000,000	11,000,000
Earnings per share-Rupees	(0.56)	0.49

28 NUMBER OF EMPLOYEES

	2023	2022
	(Number)	
Total number of employees at the end of year	15	15
Average number of employees at the year end	15	15

29 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	455,000	180,000	2,546,850	974,400
Number of persons	1	1	5	5

- The Chief Executive and directors are entitled to free use of cars according to the company policy.

- No employee meets the definition of executive as per the requirements of Companies Act, 2017.

30 FINANCIAL INSTRUMENTS BY CATEGORY

	2023 Rupees	2022 Rupees
Financial assets and financial liabilities		
Financial assets		
Available for sale		
Long term investment	-	15,832,971
At fair value through profit or loss:		
Long term investment	9,006,813	-
Investment in listed securities	53,580,967	65,605,139
Loans and receivables		
Long term deposits	2,320,000	2,320,000
Trade debts	3,726,301	7,866,062
Loan and advances	84,966	1,135,966
Trade deposits	1,711,190	2,827,430
Cash and bank balances	33,078,985	36,835,988
	103,509,223	132,423,556
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	1,186,320	1,472,487
Trade and other payables	32,469,112	34,690,902
	33,655,432	36,163,389

31 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	50,939,986	50,939,986	-
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	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	46,007,767	6,903,122	39,104,645
			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.		16,580,013	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	-	-	-

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	1,381,190	1,381,190	-
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	-	-	-
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	20,780,296	20,780,296	-
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	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%	-
	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	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	iv. Balance sheet value	108,262	-	108,262

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	3,616,884	-	3,616,884
	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	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		1,155	100%	-

1.18	Cash and bank Balances	i. Bank balance – Proprietary accounts	Nil	Balance sheet value	199,613	101,935	97,678
		ii. Bank balance – Customer accounts	Nil	Balance sheet value	32,695,567	-	32,695,567
		iii. Cash in hand	Nil	Balance sheet value	183,805	-	183,805
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**	**184,564,538**		**76,206,840**
2. Liabilities							
2.1	Trade payables	i. Payable to exchanges and clearing house	Nil	Balance sheet value	32,495	-	32,495
		ii. Payable against leveraged market products			-	-	-
		iii. Payable to			32,399,705	-	32,399,705
2.2	Current Liabilities	i. Statutory and regulatory dues	Nil	Balance sheet value	685,211	-	685,211
		ii. Accruals and other payables			1,186,320	-	1,186,320
		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			36,913	-	36,913
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			-	-	-
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.]	-	-	-

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	Net amount after deducting haircuts	-	-	-
2.6	**Total Liabilities**	**Balance Sheet Value**		**Adjusted Value**	**34,340,644**		**34,340,644**
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	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	Amount as determined through adjustment	-	-	-

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	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	Amount as determined through adjustment	-	-	-
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	Amount as determined through adjustment	-	4,498,481	4,498,481

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 met	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**	-		4,498,481
					150,223,894		**37,367,716**
	Liquid Balance Balance						**37,367,716**

32 CORRESPONDING FIGURES

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

33 GENERAL

Figures have been rounded off to the nearest rupee.

34 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 16 OCT 2023 by the Board of Directors of the Company.

CHIEF EXECUTIVE **DIRECTOR**

4 Property and equipment

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**

Particulars	Cost				Depreciation					W.D.V
	As at June 30, 2021	Additions	(Deletions)	As at June 30, 2022	Rate %	As at June 30, 2021	Charge for the year	Transferred during the year	As at June 30, 2022	As at June 30, 2022
	----------Rupees----------					----------Rupees----------				
OWNED										
Land	42,081,428	-	-	42,081,428	0	-	-	-	-	42,081,428
Building	3,607,992	-	-	3,607,992	5	251,808	167,809	-	419,617	3,188,375
Furniture and fittings	1,149,417	-	-	1,149,417	10	972,245	17,717	-	989,962	159,455
Vehicles	13,012,660	-	-	13,012,660	20	4,104,528	1,781,626	-	5,886,154	7,126,506
Office equipments	4,659,900	12,000	-	4,671,900	10	3,819,905	85,100	-	3,905,005	766,895
Mobiles	112,000	-	-	112,000	30	70,350	12,495	-	82,845	29,155
Computers	2,645,484	-	-	2,645,484	30	2,406,536	71,684	-	2,478,220	167,264
	67,268,881	**12,000**	**-**	**67,280,881**		**11,625,372**	**2,136,431**	**-**	**13,761,803**	**53,519,078**

4.1 Depreciation has been allocated as under:

	Note	2023 Rupees	2022 Rupees
Operating expenses	22	1,691,097	2,136,431
		1,691,097	2,136,431

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, 2023.

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

	2023 Rs.	2022 Rs.
Profit / (Loss) before Taxation	**(6,115,701)**	**7,978,740**
Taxation – Provision	**(46935)**	**(2,537,180)**
Net (Loss)/Profit after Taxation	**(6,162,636)**	**5,441,560**
Balance brought forward from previous Year	**106,356,820**	**105,734,675**
Bonus Shares Issued	**(53,750,000)**	**-**
Profit available for appropriation	**40,223,895**	**106,356,820**

COMPANY PERFORMANCE

The Financial results during the year show declining results in terms of brokerage revenue because of slowdown in economic activities of country. The Pre-Tax Loss of Rs. (6,162,636/=) as compared to Previous Year Pre-Tax Profit of Rs. 5,441,560/= for the year ended June 30, 2023. By virtue of constant efforts of our directors, company managed to keep itself away from the volatility of the market and kept the company safe from bigger losses.

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.

Sahiwal Branch Office:
40, Jeevan City, Phase 1, Midhali Road, Sahiwal (Pakistan).
Tel : 040-4401255, 0302-4978868, 0321-5226270 & 0303-6681722

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EPS

The Loss per Share for the year under review is Rs. (0.56) in comparison to Earning per Share of Rs. 0.49 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 16, 2023.