

DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	DECEMBER 2024 Rupees	JUNE 2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	12,868,991	2,955,945
Intangible assets	6	19,000,000	19,000,000
Long term investment	7	14,365,221	7,958,883
Long term deposits	8	1,400,000	400,000
		47,634,212	30,314,828
CURRENT ASSETS			
Trade debts	9	983,564	511,507
Loans and advances	10	144,000	10,000
Recievable under margin trading system	11	100,929,331	85,545,044
Income tax refundable/tax deducted at source	12	551,884	108,247
Short term investments	13	75,140,728	65,360,776
Cash and bank balances	14	10,271,650	21,686,795
		188,021,157	173,222,368
		235,655,369	203,537,196
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	15	87,500,000	87,500,000
Revenue reserve			
Un-appropriated profit		75,072,506	32,529,400
Capital reserve			
Fair value adjustment reserve	16	-	-
		162,572,506	120,029,400
NON CURRENT LIABILITIES			
Deferred taxation	17	1,147,475	1,147,475
CURRENT LIABILITIES			
Trade and other payables	18	2,576,791	17,006,013
Deposits, accrued liabilities and advances	19	708,597	879,388
Short term borrowing from related party	20	68,650,000	62,650,000
Provision for taxation	21	-	1,824,920
		71,935,388	82,360,321
CONTINGENCIES AND COMMITMENTS			
	22	-	-
		235,655,369	203,537,196

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

Aslam Razaque
CHIEF EXECUTIVE



Langze
DIRECTOR

DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
STATEMENT OF PROFIT OR LOSS
AS AT DECEMBER 31, 2024

		DECEMBER 2024	JUNE 2024
	Note	Rupees	Rupees
Brokerage and commission	23	243,390	504,820
Capital gain on marketable securities		9,149,815	12,627,736
Capital gain on long term investment		2,789	-
		<u>9,395,994</u>	<u>13,132,556</u>
Direct cost	24	<u>(941,706)</u>	<u>(1,423,982)</u>
		8,454,288	11,708,574
Operating expenses	25	(8,536,143)	(12,979,085)
Other operating expenses	26	-	(724,960)
Other income	27	42,634,551	38,257,238
		<u>34,098,408</u>	<u>24,553,193</u>
PROFIT FROM OPERATIONS		42,552,696	36,261,767
Finance cost	28	(9,590)	(13,776)
PROFIT BEFORE LEVIES AND INCOME TAX		42,543,106	36,247,991
Levies	29	-	(2,953,364)
PROFIT BEFORE INCOME TAX		<u>42,543,106</u>	<u>33,294,627</u>
Income tax	30	-	(1,147,475)
PROFIT FOR THE YEAR		<u>42,543,106</u>	<u>32,147,152</u>
EARNINGS PER SHARE - BASIC AND DILUTED	31	<u>4.86</u>	<u>0.37</u>

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

M. Arslan Razaque
CHIEF EXECUTIVE



Nasir Ali
DIRECTOR

DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2024

	Note	DECEMBER 2024 Rupees	JUNE 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		42,543,106	36,247,991
Adjustments of items not involving movements of cash:			
Depreciation	5.1	581,139	118,857
Capital gain on marketable securities		(9,149,815)	(12,627,737)
Unrealized gain on short-term investments		(6,410,438)	(13,272,452)
Unrealized gain on long-term investments		-	(782,950)
(Reversal)/provision for doubtful debts		-	(672,952)
Balances written off		-	-
Dividend income		(2,440,830)	(6,314,056)
		(17,419,944)	(33,551,289)
Operating cash flows before working capital changes		25,123,162	2,696,702
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Account receivables		(472,057)	206,949
Loan and Advances		(134,000)	10,000
Receivable under margin trading system		(15,384,287)	-
Increase / (decrease) in current liabilities			
Trade and other payables		(14,429,223)	14,977,945
Deposits accrued liabilities and advances		(170,791)	659,912
		(30,590,358)	15,854,806
Cash used in operations		(5,467,196)	18,551,508
Dividends received		2,440,830	6,314,056
Taxes paid		(2,268,556)	(1,191,209)
		172,274	5,122,847
Net cash used in operations		(5,294,922)	23,674,355
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(10,494,185)	(1,900,000)
Long term advances paid		-	-
MTS		-	(35,147,302)
Long term deposits received		(1,000,000)	150,000
Long term investments		(6,406,338)	4,635,717
Short term investments - net		5,780,301	3,962,600
Proceeds from disposal of vehicle		-	-
Net Cash Flows Used In Investing Activities		(12,120,222)	(28,298,984)
CASH FLOWS FROM FINANCING ACTIVITIES			
Director loan		6,000,000	7,000,000
Net Cash Flows Generated From/ (Used in) Financing Activities		6,000,000	7,000,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(11,415,144)	2,375,371
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		21,686,795	19,311,424
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	10,271,651	21,686,795
A Cash and Cash Equivalents			
Cash and bank balances	14	10,271,650	21,686,795
		10,271,650	21,686,795

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

CHIEF EXECUTIVE



Rehman
DIRECTOR

DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2024

	DECEMBER 2024 Rupees	JUNE 2024 Rupees
Profit for the year	42,543,106	32,147,152
Items that may be reclassified subsequently to statement of profit or loss		
Loss on investment categorised as fair value through other comprehensive income	-	-
Reversal of accumulated gain on reclassification	-	(782,950)
Items that will not be reclassified subsequently to statement of profit or loss		
Other comprehensive loss for the year	-	(782,950)
Total comprehensive income/(loss) for the year	<u>42,543,106</u>	<u>31,364,202</u>

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


CHIEF EXECUTIVE




DIRECTOR

DR. ARSLAN RAZAQUE SECURITIES (PVT.) 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 87,500,000 382,248 782,950 88,665,198

Profit after taxation	-	32,147,152	-	32,147,152
Other comprehensive loss for the year	-	-	(782,950)	(782,950)

Total comprehensive income for the year - 32,147,152 (782,950) 31,364,202

Balance as at June 30, 2024 87,500,000 32,529,400 - 120,029,400

Profit after taxation	-	42,543,106	-	42,543,106
Other comprehensive loss for the year	-	-	-	-

Total comprehensive loss for the year - 42,543,106 - 42,543,106

Balance as at December 31, 2024 87,500,000 75,072,506 - 162,572,506

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

Aslam Razaque
CHIEF EXECUTIVE



Rahim
DIRECTOR

DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

- 1.1 The company is a private company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the company is situated in room 316 Lahore Stock Exchange Building, 19 Kayaba-e-Aiwa-Iqbal Road, Lahore.

The company is Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange and has also acquired membership of Pakistan Mercantile 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 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:

Dec-24			Jun-24		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

Effect on statement of profit or loss

Profit/ (loss) before income tax	42,543,106	0	42,543,106	36,247,991	(2,953,364)	33,294,627
Levies	-	0	0	-	(2,953,364)	(2,953,364)
Income tax expense	0	0	-	(4,100,839)	2,953,364	(1,147,475)

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.

5.1 Property and equipment

Particulars	Cost			Depreciation				W.D.V As at Dec 31, 2024		
	As at June 30, 2024	Additions (Deletions)	As at Dec 31, 2024	Rate %	As at June 30, 2023	Charge for the year	Transferred during the year			
-----R u p e e s-----										
OWNED										
Furniture and fittings	3,500,000	188,715	-	3,688,715	10	2,974,669	27,224	-	3,001,893	686,822
Office equipments	3,178,351	15,000	-	3,193,351	10	2,652,558	26,350	-	2,678,908	514,443
Computers	2,272,300	48,000	-	2,320,300	30	2,267,479	1,946	-	2,269,425	50,875
Vehicles	-	12,142,470	-	12,142,470	20	-	525,619	-	525,619	11,616,851
	8,950,651	12,394,185	-	21,344,836		7,894,706	581,139	-	8,475,845	12,868,991

Particulars	Cost			Depreciation				W.D.V	
	As at June 30, 2023	Additions	(Deletions)	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	Transferred during the year	As at June 30, 2024
-----R u p e e s-----									
OWNED									
Furniture and fittings	3,500,000	-	-	3,500,000	10	2,916,299	58,370	-	2,974,669
Office equipments	3,178,351	-	-	3,178,351	10	2,594,137	58,421	-	2,652,558
Computers	2,272,300	-	-	2,272,300	30	2,265,413	2,066	-	2,267,479
	8,950,651	-	-	8,950,651		7,775,849	118,857	-	7,894,706
									1,055,945

5.2 Depreciation has been allocated as under:

Note	2024		2023	
	Rupees		Rupees	
Operating expenses	25			
	581,139		118,857	
	581,139		118,857	

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
5 Property and equipment			
Property and equipment	5.1	12,868,991	1,055,945
Advance against vehicle		-	1,900,000
		<u>12,868,991</u>	<u>2,955,945</u>

6 INTANGIBLE ASSETS

Trading right entitlement certificate	6.1	2,500,000	2,500,000
Membership of Pakistan Merchantile Exchange Limited		2,500,000	2,500,000
Rights of rooms		<u>14,000,000</u>	<u>14,000,000</u>
		<u>19,000,000</u>	<u>19,000,000</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	DEC 2024 Rupees	JUNE 2024 Rupees
7 LONG TERM INVESTMENT			
Quoted investment at fair value through profit or loss			
Cost			
Opening balance	7.2	11,902,050	11,811,650
Additon during the		-	90,400
Disposal during the year		(5,258)	-
		<u>11,896,792</u>	<u>11,902,050</u>

7.1 Movement in fair value reserve:

Opening balance	(3,943,167)	782,950
Accumulated reserve transferred to profit or loss	1,159	(782,950)
Unrealized gain for the year	6,410,438	(3,943,167)
	<u>2,468,430</u>	<u>(3,943,167)</u>
	<u>14,365,221</u>	<u>7,958,883</u>

- 7.2 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. Due to change in applicable financial reporting framework from IFRS for SMEs to IFRS, the company has reclassified these investments from fair value through OCI to fair value through profit or loss and respective accumulated reserve has been charged to profit or loss.

	DEC 2024 Rupees	JUNE 2024 Rupees
8 LONG TERM DEPOSITS		
Deposits with:		
National Clearing Company of Pakistan Limited	1,400,000	400,000
Base Minimum Capital (BMC)	-	-
	<u>1,400,000</u>	<u>400,000</u>

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
9 TRADE DEBTS			
Receivable from:			
Clients on account of purchase of shares		1,122,386	867,201
Related parties on account of purchase of shares	9.1	-	31,108
		1,122,386	898,309
Less: Provision for doubtful debts	9.3	(386,802)	(386,802)
		735,584	511,507
National Clearing Company of Pakistan Limited		247,980	-
		983,564	511,507

9.1 Receivable from related party	Basis of relationship	Percentage of shareholding		
Arslan Razaque	Director/ CEO	99.98%	-	155,876
Rabia Ali	Director	0.01%	-	29,058
Ali Razaque	Director	0.01%	-	4,816
Aliya Bilal	Siblings of director			27,899
		100%	-	217,649

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

Name	Maximum aggregate amount	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2024
		-----Rupees-----			
Rabia Ali	0	-	-	-	-
		-	-	-	-

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
9.3 Provision for doubtful debts			
Opening balance		386,802	1,059,754
Add: (Reversal)/provision made during the year		-	(672,952)
		386,802	386,802

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
9.4 Aging analysis			
Upto five days		19,937	-
More than five days		1,102,449	1,316,220
		1,122,386	1,316,220

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
10 LOANS AND ADVANCES			
Unsecured and intrest free			
Advance to employee		144,000	10,000
		144,000	10,000

11 RECEIVABLE UNDER MARGIN TRADING SYSTEM

Margin trading facility is provided to clients on markup basis ranging from 19.00% to 25.00% per annum.

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
12 INCOME TAX REFUNDABLE/TAX DEDUCTED AT SOURCE			
Opening balance		108,247	651,374
Tax deducted at source during the year		443,637	1,109,427
		551,884	1,760,801
Adjustments during the year against:			
Provision for taxation and levies - prior year		-	(543,127)
Provision for taxation and levies - current year		-	(1,109,427)
		551,884	108,247

13 SHORT TERM INVESTMENTS

Investment in quoted shares

At fair value through profit and loss

Cost		44,934,825	53,487,368
Fair value reserve		30,205,902	11,873,408
		75,140,728	65,360,776
Opening balance		53,487,368	51,346,764
Additon during the		33,623,762	-
Disposal during the year		(42,176,304)	-
		44,934,825	51,346,764
Movement in fair value reserve:			
Opening balance		11,873,408	-
Accumulated reserve transferred to profit or loss		-	-
Deletion		(4,628,221)	(7,923,576)
Unrealized (loss) gain for the year		22,960,715	
		30,205,902	(7,923,576)
		75,140,728	43,423,188

14 CASH AND BANK BALANCES

		DEC 2024 Rupees	JUNE 2024 Rupees
These were held as under:			
Cash in hand		450,743	450,743
Cash at banks			
in current accounts:			
Pertaining to brokerage house	14.1	4,585,693	13,168,714
Pertaining to clients		-	-
		4,585,693	13,168,714
in saving accounts:			
Pertaining to brokerage house		2,182,697	334,767
Pertaining to clients		3,052,518	7,732,571
		5,235,215	8,067,338
		10,271,651	21,686,795

14.1 This includes balance amounting Rs. 610,415 (2023: Rs.609,350) pertaining to proprietary account with Pakistan

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
15 SHARE CAPITAL			
Authorized			
10,000,000 (2024: 10,000,000) ordinary shares of Rs.10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up			
1,050,000 (2024: 1,050,000) ordinary shares of Rs.10 each fully paid in cash		10,500,000	10,500,000
7,700,000 (2024: 7,700,000) bonus shares of Rs.10 issued to shareholders	15.1	<u>77,000,000</u>	<u>77,000,000</u>
		<u>87,500,000</u>	<u>87,500,000</u>

15.2 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2024	2024	2024	2024
Categories of shareholders				
Individual				
Chief Executive officer (CEO):				
Arslan Razaque	99.98%	99.98%	8,748,000	8,748,000
Directors:				
Rabia Ali	0.01%	0.01%	1,000	1,000
Ali Razaque	0.01%	0.01%	1,000	1,000
	<u>100%</u>	<u>100%</u>	<u>8,750,000</u>	<u>8,750,000</u>

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

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
16 FAIR VALUE ADJUSTMENT RESERVE			
Fair value adjustment reserve		<u>-</u>	<u>-</u>

16.1 This represented accumulated gain on long term investments and it has be reclassified to profit or loss as referred to note 6 to the financial statements.

17 DEFERRED TAXATION

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		-	61,914
Provision for workers' welfare fund		-	(118,291)
Unrealised gain/(loss) on investments		-	1,386,694
Provision against doubtful debts		-	82,983
Minimum taxes paid		-	(159,978)
Alternate corporate taxes paid		-	(1,987,886)
Taxable losses		-	(888,961)
Capital losses on investments		-	(239,219)
Deferred tax asset not recognised		-	3,010,219
		<u>-</u>	<u>1,147,475</u>
Balance as at July 01,		1,147,475	1,147,475
Charge for the year in profit or loss		-	-
Charge for the year in OCI		-	-
		<u>1,147,475</u>	<u>1,147,475</u>

- 17.1 At the year end net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset of Rs. 3.09 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, 2025.

18 TRADE AND OTHER PAYABLES

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
Trade creditors	18.1 & 18.2	1,817,694	6,061,381
Sales tax payable		13,625	18,940
Provincial workers' welfare fund payable		745,472	745,472
Payable to National Clearing Company of Pakistan Ltd.		-	10,180,220
		<u>2,576,791</u>	<u>17,006,013</u>

- 18.1 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs. 39,583,984 , Rs. nil and Rs.23,511,901 respectively held in sub-accounts of the company. No client security is pledged with the financial institutions

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
19 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		<u>708,597</u>	<u>879,388</u>
		<u>708,597</u>	<u>879,388</u>
20 SHORT TERM BORROWING FROM RELATED PARTY			
Loan from Mr. Arsalan razaque		68,650,000	62,650,000
		<u>68,650,000</u>	<u>62,650,000</u>

- 20.1 This represents unsecured and interest-free loan received from a Director/CEO of the Company for working capital requirements and has been utilised for the same purpose. This is payable on demand of the lender in cash.

21 PROVISION FOR TAXATION

	DEC 2024 Rupees	JUNE 2024 Rupees
Opening balance	-	605,892
Adjustment against tax deducted at source/advance tax	-	1,109,427
Add: Provision for taxation and levies - current	-	(2,934,347)
	-	(1,219,028)
	-	(62,765)
Less: Adjustment against previous year advance tax	-	(543,127)
Adjustment against current year advance tax and provision	-	(1,824,920)

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

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

22.1.1 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.

22.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 4.20 million to Pakistan Stock Exchange (PSX) on behalf of the company to meet the Base Minimum Capital requirements.

22.2 Commitments

Commitments in respect of capital expenditures as at DEC 31, 2024 were amounting Rs. 73.80 million (2023: Rs. nil).

23 BROKERAGE AND COMMISSION

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
Brokerage and commission		243,390	585,591
Less: Sales tax		-	(80,771)
		243,390	504,820

24 DIRECT COST

Charges paid to/against:

Central Depository Company of Pakistan	125,051	211,769
National Clearing Company of Pakistan Limited	137,212	737,670
Pakistan Stock Exchange	667,443	450,543
Pakistan Mercantile Exchange	12,000	24,000
	941,706	1,423,982

		DEC 2024	JUNE 2024
25 OPERATING EXPENSES			
Directors' salaries		1,167,500	2,400,000
Salaries and benefits		1,939,500	3,800,000
Utilities		605,311	311,120
Fee and subscription		372,859	498,150
Rent, rates and taxes		-	57,428
Legal and professional charges	25.2	73,150	230,690
Communication		32,460	73,517
Printing and stationery		14,400	3,050
Business promotion		628,530	176,198
Entertainment charges		616,255	205,413
Repair and maintenance		1,243,185	1,287,958
Travelling and conveyance		683,827	2,188,532
Insurance		-	4,406
Depreciation		581,139	118,857
Miscellaneous charges		578,027	1,623,767
		<u>8,536,143</u>	<u>12,979,085</u>

25.2 Auditor's remuneration

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

	Note	DEC 2024 Rupees	JUNE 2024 Rupees
Amin, Mudassar & Co.			
Chartered Accountants			
Statutory audit		200,000	200,000
Certification charges		18,690	18,690
		<u>218,690</u>	<u>218,690</u>
IECnet SKSSS			
Chartered Accountants			
Statutory audit			131,250
		<u>-</u>	<u>131,250</u>
		DEC 2024 Rupees	JUNE 2024 Rupees
26 OTHER OPERATING EXPENSES	Note		
Punjab workers welfare fund		-	724,960
Provision for doubtful debts		-	-
Unrealised loss on remeasurement of investment at fair value through profit or loss		-	-
		<u>-</u>	<u>724,960</u>

27 OTHER INCOME

Income from financial assets

Dividend income	2,440,830	6,314,056
Reversal of provision for doubtful debts	-	672,952
Interest income	10,301,974	16,942,689
Gain on remeasurement of long term investment	6,410,438	-
Gain on remeasurement at fair value	22,960,715	13,272,452

Income from assets other than financial assets

Other income	520,595	1,055,089
	<u>42,634,551</u>	<u>38,257,238</u>

28 FINANCE COST

Bank charges	9,590	13,776
	<u>DEC</u>	<u>JUNE</u>
	<u>2024</u>	<u>2024</u>
	<u>Rupees</u>	<u>Rupees</u>
		(Restated)

29 LEVIES

Minimum tax	-	-
Alternative corporate tax	-	1,987,886
Final tax	-	946,461
	<u>-</u>	<u>2,934,347</u>
Prior year adjustment	-	19,017
	<u>-</u>	<u>2,953,364</u>
	<u>DEC</u>	<u>JUNE</u>
	<u>2024</u>	<u>2024</u>
	<u>Rupees</u>	<u>Rupees</u>
		(Restated)

30 TAXATION

Income tax:

-Current	-	-
-Deferred	-	-
-Prior	-	-
	<u>-</u>	<u>-</u>

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

	<u>DEC</u>	<u>JUNE</u>
	<u>2024</u>	<u>2024</u>
	<u>Rupees</u>	<u>Rupees</u>
		(Restated)
Classified as:		
Income Tax	-	-
Levies	0	2,934,347
	<u>0</u>	<u>2,934,347</u>

- 30.1 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.
- 30.2 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, minimum tax regime or alternative corporate tax of Income Tax Ordinance, 2001.

31 EARNINGS PER SHARE - BASIC AND DILUTED

	DEC 2024	JUNE 2024
Profit for the year-Rupees	42,543,106	32,147,152
Weighted average number of ordinary shares outstanding during the year-Numbers	8,750,000	87,500,000
Earnings per share-Rupees	4.86	0.37

32 NUMBER OF EMPLOYEES

	DEC 2024	JUNE 2024
	(N u m b e r)	
Total number of employees at the end of year	8	8
Average number of employees at the year end	8	8

33 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	
	DEC 2024	2024	DEC 2024	2024
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	600,000	600,000	600,000	1,200,000
Number of persons	1	1	1	1

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

34 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

At fair value through OCI:

Long term investment

At fair value through profit or loss:

Long term investment

Investment in listed securities

At amortised cost

Long term deposits

Receivable under margin trading system

Trade debts

Cash and bank balances

	DEC 2024	JUNE 2024
	Rupees	Rupees
	-	-
	14,365,221	7,958,883
	75,140,728	65,360,776
	1,400,000	400,000
	100,929,331	85,545,044
	983,564	1,184,459
	10,271,650	21,686,795
	203,090,494	182,135,956

	2024 Rupees	2023 Rupees
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	708,597	879,388
Trade and other payables	1,817,694	6,061,381
Short term borrowing from related party	68,650,000	62,650,000
	<u>71,176,291</u>	<u>69,590,769</u>

35 FINANCIAL RISK MANAGEMENT

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

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

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The objectives of credit risk management is to put in place sound credit approval processes for informed risk-taking and procedures for effective risk identification, monitoring and measurement.

Exposure to Credit Risk and Credit Risk Management

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

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

	DEC 2024 Rupees	JUNE 2024 Rupees
Note		
Long term deposits	1,400,000	400,000
Recieveable under margin trading system	100,929,331	85,545,044
Trade debts	983,564	1,184,459
Bank balances	9,820,908	21,236,052
	<u>113,133,803</u>	<u>108,365,554</u>

35.1.1 The maximum exposure to credit risk for trade debts is due from local clients and the aging of trade debts at

the reporting date was:

	DEC 2024 Rupees	JUNE 2024 Rupees
Up to 1 month	-	196,283
1 to 6 months	-	31,108
More than 6 months	-	670,918
	-	898,309
Less: Provision for doubtful debt	-	286,150
	-	1,184,459

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

35.1.2 Concentration of credit risk

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

Geographically there is no concentration of credit risk.

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

	Rating		Rating Agency	DEC 2024 Rupees	JUNE 2024 Rupees
	Short Term	Long Term			
MCB Bank Limited	A1+	AAA	PACRA	7,638,211	20,901,285
Soneri Bank Limited	A1+	AA-	PACRA	2,182,697	334,767
				9,820,908	21,236,052

b) Liquidity Risk

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

Dec-24			
Carrying Amount	Contractual Cash Flows	Maturity Up to One Year	Maturity After One Year
-----R u p e e s-----			
Deposits, accrued liabilities and advances	708,597	708,597	708,597
Trade and other payables	1,817,694	1,817,694	1,817,694
Short term borrowing from related party	68,650,000	68,650,000	68,650,000
	71,176,291	71,176,291	71,176,291
			-
Jun-24			
Carrying Amount	Contractual Cash Flows	Maturity Up to One Year	Maturity After One Year
-----R u p e e s-----			
Deposits, accrued liabilities and advances	879,388	879,388	879,388
Trade and other payables	6,061,381	6,061,381	6,061,381
Short term borrowing from related party	62,650,000	62,650,000	62,650,000
	69,590,769	69,590,769	69,590,769
			-

Liquidity Risk Management

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

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

c) Market Risk

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

i) Foreign Currency Risk

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

Exposure to foreign currency risk

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

Foreign currency risk management

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

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

ii) Price Risk

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

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

Sensitivity Analysis

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

	Fair Value	Hypothetical Price Change	Estimated Fair Value After Hypothetical Change In Price	Hypothetical Increase / (Decrease) in Share Holders' Equity
Dec-31, 2024	89,505,949		98,456,544 80,555,354	8,950,595 (8,950,595)
June 30, 2024	73,319,659		80,651,625 65,987,693	7,331,966 (7,331,966)

iii) Interest Rate Risk

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

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

Sensitivity Analysis

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

Dec-24		Jun-24	
Financial Asset	Financial Liability	Financial Asset	Financial Liability

Non- derivative financial instruments

Variable rate instruments:

Recieveable under margin trading	100,929,331	-	85,545,044	-
Cash and bank balances	5,235,215	-	8,067,338	-
	106,164,546	-	93,612,381	-

Cash flow sensitivity analysis for variable rate instruments

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

Profit or loss (100 bps)			
Dec-24		Jun-24	
Increase	Decrease	Increase	Decrease
Rupees			
1,061,645	(1,061,645)	936,124	(936,124)

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

35.2 Fair value of financial instruments

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

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

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

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

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

Dec-24			
	Level 1	Level 2	Level 3
	-----Rupees-----		
Financial assets			
At fair value			
Short term investment in listed securities (on recurring basis)	75,140,728	-	-
Long term investment (on recurring basis)	14,365,221	-	-
	<u>89,505,949</u>	<u>-</u>	<u>-</u>
Jun-24			
	Level 1	Level 2	Level 3
	-----Rupees-----		
Financial assets			
At fair value			
Short term investment in listed securities (on recurring basis)	65,360,776	-	-
Long term investment (on recurring basis)	7,958,883	-	-
	<u>73,319,659</u>	<u>-</u>	<u>-</u>

35.2.1 Capital risk management

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

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

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

	DEC2024 Rupees	JUNE2024 Rupees
Total borrowings	68,650,000	62,650,000
Total equity	<u>162,572,506</u>	<u>120,029,400</u>
Total Capital	<u>231,222,506</u>	<u>182,679,400</u>
Gearing Ratio	<u>30%</u>	<u>34%</u>

36 OPERATING SEGMENT

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

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

37 **CORRESPONDING FIGURES**

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

38 **GENERAL**

Figures have been rounded off to the nearest rupee.

39 **DATE OF AUTHORISATION FOR ISSUE**

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


CHIEF EXECUTIVE




DIRECTOR