

Yasir Mahmood Securities (PVT.) Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Independent Auditor's Report to the Members of Yasir Mahmood Securities (Pvt.) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Yasir Mahmood Securities (Pvt.) Limited (the company)**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance 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.

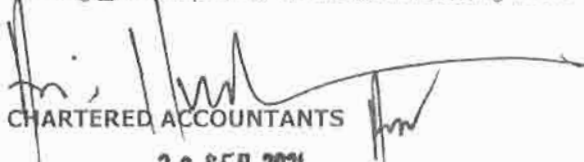
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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



CHARTERED ACCOUNTANTS

Lahore:

23 SEP 2024

UDIN: AR202410082xbIqWH8A1



Yasir Mahmood Securities (Pvt) Ltd.

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STATEMENT OF CEO

FOR THE YEAR ENDED JUNE 30, 2024

I, Muhammad Yasir Mahmood, Chief Executive Officer of **M/s Yasir Mahmood Securities Private Limited**, do hereby undertake that there are no transaction entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities/futures market laws.

Muhammad Yasir Mahmood

Chief Executive Officer



TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED

Room # 205, 2nd Floor, LSE Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.
Phone: 042-36314141, 36314176-81 Fax: 042-36314188 E-mail: info@invest.pk, Website: www.invest.pk

STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED JUNE 30, 2024

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and the departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The Brokerage house is considered to be a going concern and there are no reason(s) that the Brokerage House is unable to continue as going concern.
- The company did not make any default in payment of loans, TFC, Sukuk or other debt instruments.
- The company has duly complied with the Corporate Governance Code(s).


Muhammad Yasir Mahmood

Chief Executive Officer

On behalf of Board of Directors



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DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the Report and the Audited Financial Statements of the company for the year ended June 30, 2024.

Stock Market Performance

In FY24, the benchmark KSE-100 index posted significant growth of 89.24 percent, rising from 41,453 at the end of June 2023 to 78,445 at the end of June 2024. This robust momentum was primarily driven by the successful IMF program under the Stand-By Arrangement, which secured USD 3 billion from the IMF, the establishment of the SIFC to attract foreign direct investment, successful staff-level talks with the IMF regarding the current SBA, and a prospective EFF program worth USD 7 billion, along with stability on the economic and political fronts.

Economic Performance

During FY2024, Pakistan's economy experienced moderate recovery, with a GDP growth of 2.38 percent compared to the previous year's contraction of 0.21 percent. Prudent policy management, the resumption of inflows from multilateral and bilateral partners, and a gradual economic recovery in major trading partners contributed to this positive shift. The prolonged impact of inflation is gradually diminishing in FY2024, with inflation trending steadily downward since the third quarter. This improvement is supported by a resilient external sector and ongoing fiscal consolidation.

Financial Results

The Company has reported an after-tax profit of PKR 32.0427 million, compared to an after-tax loss of PKR 16.8857 million for the same period last year. The Company achieved an operating profit of PKR 37.5066 million, compared to an operating loss of PKR 13.4615 million for the corresponding period. The financial results of the Company are summarized as follows:

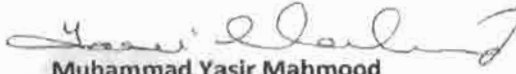
	2024 (In Rupees)	2023 (In Rupees)
Operating Revenue	34,369,378	9,915,859
Capital Gain (Loss) on Investment	13,749,163	(9,445,682)
Direct Cost	2,090,411	2,129,608
Operating Expenses	25,773,254	18,856,168
Other Income	17,251,806	7,054,091
Operating Profit / (Loss)	37,506,682	(13,461,509)
Financial Charges	1,941,688	2,990,998
Profit / (Loss) before tax	35,564,994	(16,452,507)
Levies and Taxation	3,522,286	433,201
Profit / (Loss) for the year	32,042,709	(16,885,708)
EPS per Share	7.12	(3.75)

Future Prospects

We are very optimistic about the coming year due to the increasing traded values and higher market volumes observed in FY24. We hope that this trend will continue in FY25.

September 23, 2024

for & on behalf of the Board


Muhammad Yasir Mahmood
(Chief Executive)

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	2,657,565	2,588,129
Intangible assets	5	8,189,583	8,357,083
Long term investments	6	-	13,065
Long term deposits and prepayments	7	335,500	227,500
		11,182,648	11,185,777
CURRENT ASSETS			
Trade debts	8	-	-
Investment at fair value through profit or loss	9	20,357,101	12,582,343
Loans and advances	10	1,167,457	1,107,356
Trade deposits, short term prepayments and current account balances with statutory authorities	11	7,398,779	4,558,742
Tax deducted at source/advance income tax	12	2,531,004	2,531,004
Other receivable	13	-	1,500
Cash and bank balances	14	13,088,103	4,974,366
		44,542,445	25,755,311
		55,725,093	36,941,088
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	15	45,001,000	45,001,000
Revenue reserve			
Un-appropriated profit/(accumulated loss)		7,208,097	(24,834,612)
		52,209,097	20,166,388
NON CURRENT LIABILITIES			
Deferred taxation	16	-	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	17	1,285,721	304,392
Trade and other payable	18	705,733	553,650
Accrued markup		-	913,629
Loan from banking company	19	-	15,003,029
Provision for taxation	20	1,524,542	-
		3,515,996	16,774,700
CONTINGENCIES AND COMMITMENTS			
	21	-	-
		55,725,093	36,941,088

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


CHIEF EXECUTIVE


DIRECTOR

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Brokerage and commission	22	34,369,378	9,915,859
Capital gain/(loss) on investment in listed securities		13,749,163	(9,445,682)
		48,118,541	470,177
Direct cost	23	(2,090,411)	(2,129,608)
		46,028,130	(1,659,431)
Operating expenses	24	(25,061,853)	(17,684,328)
Other operating expenses	25	(711,401)	(1,171,840)
Other income	26	17,251,806	7,054,091
		(8,521,448)	(11,802,077)
OPERATING PROFIT/ (LOSS)		37,506,682	(13,461,508)
Finance cost	27	(1,941,688)	(2,990,998)
PROFIT/ (LOSS) BEFORE LEVIES AND INCOME TAX		35,564,994	(16,452,507)
Levies	28	(283,016)	(316,566)
PROFIT/ (LOSS) BEFORE INCOME TAX		35,281,978	(16,769,073)
Income tax	29	(3,239,270)	(116,635)
PROFIT/ (LOSS) FOR THE YEAR		32,042,709	(16,885,708)
EARNINGS PER SHARE-BASIC AND DILUTED	30	7.12	(3.75)

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


 CHIEF EXECUTIVE


 DIRECTOR

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Profit/(loss) for the year	32,042,709	(16,885,708)
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Items that may be reclassified subsequently to statement of profit or loss		
Reserval on reclassification of long term investment	-	(1,896)
Deferred tax thereon	-	550
Other comprehensive loss for the year	-	(1,346)
Total comprehensive income/(loss) for the year	<u>32,042,709</u>	<u>(16,887,054)</u>

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


 CHIEF EXECUTIVE


 DIRECTOR

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2024

Paid up capital	Un-appropriated profit/ (accumulated loss)	Fair value adjustment reserve	Total
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----- (R u p e e s) -----

Balance as at June 30, 2022	45,001,000	(7,948,904)	1,346	37,053,442
Loss after taxation	-	(16,885,708)	-	(16,885,708)
Other comprehensive loss	-	-	(1,346)	(1,346)
Total comprehensive loss for the year	-	(16,885,708)	(1,346)	(16,887,054)
Balance as at June 30, 2023	45,001,000	(24,834,612)	-	20,166,388
Profit after taxation	-	32,042,709	-	32,042,709
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	32,042,709	-	32,042,709
Balance as at June 30, 2024	45,001,000	7,208,097	-	52,209,097

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


 CHIEF EXECUTIVE


 DIRECTOR

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before levies and taxation		35,564,994	(16,452,507)
Adjustments for non cash items:			
Depreciation	4	331,865	366,251
Amortization	5	167,500	167,500
Interest expense	27	1,847,301	2,945,533
Unrealized (gain)/loss on re-measurement of short term investments	9	(3,079,538)	1,171,840
Reversal of provision for loans and advances	26	(43,643)	(15,050)
Capital (gain)/ loss on sale of short term investment		(13,749,163)	9,445,682
		(14,525,678)	14,081,756
Operating Cash Flows Before Working capital changes		21,039,316	(2,370,751)
Changes in Working Capital			
(Increase)/ decrease in current assets			
Accounts receivables		-	15,311
Loans and advances		(16,458)	(822,341)
Trade deposits, short term prepayments		(2,840,037)	302,726
Other receivable		1,500	209,930
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		981,329	(31,084)
Trade and other payable		152,083	29,031
		(1,721,582)	(296,427)
Cash Generated From/ (Used In) Operations		19,317,733	(2,667,178)
Taxes/levies paid		(1,997,744)	(909,899)
Interest cost paid		(2,760,932)	(2,759,242)
		(4,758,675)	(3,669,141)
Net Cash Generated/ (Used In) Operations		14,559,058	(6,336,318)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(401,300)	(195,250)
Investment at fair value acquired during the year		(629,248,300)	(97,875,003)
Proceeds from sale of investment at fair value		638,315,308	96,029,778
Rent paid in advance		(108,000)	-
Amount paid against long term deposits		-	400,000
Net Cash (Used In) from Investing Activities		8,557,708	(1,640,475)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		23,116,766	(7,976,793)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(10,028,663)	(2,051,869)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	13,088,103	(10,028,663)
A Cash and Cash Equivalents			
Short term running finance	19	-	(15,003,029)
Cash and bank balances	14	13,088,103	4,974,366
		13,088,103	(10,028,663)

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


CHIEF EXECUTIVE


DIRECTOR

YASIR MAHMOOD SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATION

- 1.1 Yasir Mahmood Securities (Private) Limited ("the Company") was incorporated on June 05, 2006 as a private limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is principally engaged in the business of brokerage, financial consultancy, underwriting, portfolio management/acquisition of securities and securities research. The registered office of the Company is situated at 2nd Floor, Room # 205, 19- Khayaban-e-Aiwan-e-Iqbal, LSE Building, Lahore. The category of the Company is Trading Only Securities Broker effective from June 24, 2022.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

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
- 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 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, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Impairment loss of non-financial assets other than inventories
- 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 MATERIAL ACCOUNTING POLICY INFORMATION

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 number of days basis 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 the 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 based upon straight line method. Amortization on additions is charged for the numbers of days in which an asset is acquired while no amortization is charged for the month in which an asset is disposed off

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

3.3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.4 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.

3.5 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.

3.6 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.

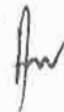
3.7 TRADE DEBTS AND OTHER RECEIVABLES

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.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; 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

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is recognised using liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levies

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

3.11 TRADE AND OTHER PAYABLE

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.

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 exchange rate ruling at the date of transaction.

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

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 DIVIDEND INCOME

Dividend income is recognised when the Company's right to receive payment have been established and is recognized in profit or loss and included in other income.

3.18 BASIC AND DILUTED EARNINGS PER SHARE

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

3.19 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except 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.

3.20 TRADE DATE ACCOUNTING

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

3.21 CHANGE IN ACCOUNTING POLICY

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

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

	2024			2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	

Effect on statement of profit or loss

Profit/ (loss) before income tax	35,564,996	(283,016)	35,281,980	(16,452,508)	(316,566)	(16,769,074)
Levies	-	(283,016)	(283,016)	-	(316,566)	(316,566)
Income tax expense	(3,522,286)	283,016	(3,239,270)	(433,201)	316,566	(116,635)

4 Property and equipment

Particulars	Cost			Depreciation			W.D.V. As at June 30, 2024
	As at June 30, 2023	Additions	Deletion	As at June 30, 2023	Charge for the year	As at June 30, 2024	
OWNED							
Computers	1,973,340	193,300	-	2,166,640	1,699,579	1,797,728	368,912
Furniture and fixtures	256,464	-	-	256,464	184,460	191,660	64,804
Office equipments	596,772	-	-	596,772	429,441	446,174	150,598
Electric equipments	851,076	308,000	-	1,059,076	577,946	607,538	451,538
Vehicles	2,750,000	-	-	2,750,000	948,097	1,128,287	1,621,713
	6,427,652	401,300	-	6,828,952	3,839,523	4,171,387	2,657,565

-----Rupees-----

-----Rupees-----

4.1 Property and equipment

Particulars	Cost			Depreciation			W.D.V. As at June 30, 2023
	As at June 30, 2022	Additions	Deletion	As at June 30, 2022	Charge for the year	As at June 30, 2023	
OWNED							
Computers	1,826,540	146,800	-	1,973,340	1,588,843	1,699,579	273,761
Furniture and fixtures	256,464	-	-	256,464	176,459	184,460	72,005
Office equipment	548,322	48,450	-	596,772	412,485	429,441	167,331
Electric equipment	851,076	-	-	851,076	547,598	577,946	273,130
Vehicle	2,750,000	-	-	2,750,000	747,886	948,097	1,801,903
	6,232,402	195,250	-	6,427,652	3,473,271	3,839,522	2,588,129

-----Rupees-----

-----Rupees-----

4.2 Depreciation has been allocated as under:

Note	2024	2023
	Rupees	Rupees
Operating expenses	24	
	331,865	366,251
	<u>331,865</u>	<u>366,251</u>

5	INTANGIBLE ASSETS	Note	2024 Rupees	2023 Rupees
	Rights of room		5,000,000	5,000,000
	Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
	Membership of Royal Palm Country Club		400,000	400,000
	Computer software	5.2	289,583	457,083
			<u>8,189,583</u>	<u>8,357,083</u>

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

5.2 Computer software

Particulars	Cost			Rate %	Amortization			W.D.V. As at June 30, 2024
	As at June 30, 2023	Additions/ (Deletions)	As at June 30, 2024		As at June 30, 2023	charge for the year	As at June 30, 2024	
	-----Rupees-----				-----Rupees-----			
Computer software	2,496,500	-	2,496,500	20%	2,039,417	167,500	2,206,917	289,583

5.2.1 Computer software

Particulars	Cost			Rate %	Amortization			W.D.V. As at June 30, 2023
	As at June 30, 2022	Additions/ (Deletions)	As at June 30, 2023		As at June 30, 2022	charge for the year	As at June 30, 2023	
	-----Rupees-----				-----Rupees-----			
Computer software	2,496,500	-	2,496,500	20%	1,871,917	167,500	2,039,417	457,083

5.2.2 This includes fully amortized software having cost and accumulated amortization of Rs. 1,659,000 (2023: Rs. 1,659,000).

5.2.3 Amortization has been allocated as under:

	Note	2024 Rupees	2023 Rupees
Operating expenses	24	167,500	167,500
		<u>167,500</u>	<u>167,500</u>

6 LONG TERM INVESTMENTS	Note	2024 Rupees	2023 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 (Previously Available for sale)			
Cost as at July 01,		4,534	21,085
Fair value adjustment		(3,084)	(8,020)
		1,450	13,065
Transferred to current assets		(1,450)	-
	6.1	<u>-</u>	<u>13,065</u>
6.1 Particulars of investment			
Cost			
Opening balance		21,085	21,085
Disposal during the year		(15,970)	-
Less: Transferred to current assets		(5,115)	-
		-	21,085
Fair value adjustment			
Opening balance		(8,020)	1,896
Accumulated reserve transferred to profit or loss		4,456	-
Unrealized loss for the year		(101)	(9,916)
Less: Transferred to current assets		3,665	-
		-	(8,020)
		-	13,065
7 LONG TERM DEPOSITS AND PREPAYMENTS			
Deposit with:			
Central Depository Company Limited		100,000	100,000
Others		127,500	127,500
Prepayment		108,000	-
		<u>335,500</u>	<u>227,500</u>
8 Trade debts			
Receivable from clients on account of:			
Purchase of shares on behalf of clients		230,939	233,794
Less: Provision for doubtful debts	8.1	(230,939)	(233,794)
		<u>-</u>	<u>-</u>
8.1 Provision for doubtful debts			
Opening balance		233,794	236,844
Reversal made during the year		(2,855)	(3,050)
Provision made during the year		-	-
Less: Balances written off		-	-
		<u>230,939</u>	<u>233,794</u>

	Note	2024 Rupees	2023 Rupees
9 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS			
Investment in listed securities	9.1	20,344,738	12,575,229
Investment in mutual funds	9.2	12,363	7,114
		<u>20,357,101</u>	<u>12,582,343</u>
9.1 Investment in listed securities			
Cost value	9.1.1	17,301,157	18,569,050
Gain/(loss) on remeasurement of fair value of investment as at June 30,	9.1.2	3,043,581	(5,993,821)
	9.1	<u>20,344,738</u>	<u>12,575,229</u>
9.1.1 Movement in cost of investment			
Opening balance		18,569,050	26,220,786
Addition during the year		629,247,947	96,355,197
Redemption during the year		(630,520,955)	(104,006,932)
Transfer from non current asset	6.1	5,115	-
		<u>17,301,157</u>	<u>18,569,050</u>
9.1.2 Movement in fair value reserve			
Opening balance		(5,993,821)	(4,882,807)
Realized during the year		5,966,324	(2,271,505)
Unrealized gain on remeasurement		3,074,743	1,160,491
Transfer from non current asset	6.1	(3,665)	-
		<u>3,043,581</u>	<u>(5,993,821)</u>
9.2 Investment in mutual funds			
Cost		10,796	10,443
Gain/(loss) on re-measurement of fair value of investment as at June 30,		1,567	(3,329)
		<u>12,363</u>	<u>7,114</u>
9.2.1 Movement in cost of investment			
Opening balance		-	429
Addition during the year		353	-
		<u>353</u>	<u>429</u>
9.2.2 Movement in fair value reserve			
Opening balance		(3,329)	(1,372)
Unrealized gain/(loss) on remeasurement		4,896	(1,957)
		<u>1,567</u>	<u>(3,329)</u>
9.3 This includes shares having carrying value of Rs. 11,053,225 (2023: Rs. 7,877,158) pledged with National Clearing Company of Pakistan Limited.			
10 LOANS AND ADVANCES	Note	2024 Rupees	2023 Rupees
Un-secured and Interest Free			
Advances to:			
Employees	10.1	1,167,457	1,107,356
		<u>1,167,457</u>	<u>1,107,356</u>
10.1 Movement of advances			
Advances to employees		1,234,057	1,214,744
Less: Provision for doubtful advances		(66,600)	(107,388)
		<u>1,167,457</u>	<u>1,107,356</u>

	Note	2024 Rupees	2023 Rupees
11 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
Deposits with:			
E Clear Service Limited		7,240,419	4,554,534
Prepayments		158,360	4,208
		<u>7,398,779</u>	<u>4,558,742</u>
12 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX			
Opening balance		2,531,004	2,184,727
Deducted during the year			
Income taxes		1,714,728	909,983
Levies		283,016	-
		1,997,744	909,983
Adjustment made during the year			
Income taxes		(1,714,728)	(563,706)
Levies		(283,016)	-
		(1,997,744)	(563,706)
		<u>2,531,004</u>	<u>2,531,004</u>
13 OTHER RECIEVABLE			
Other receivable		1,983,000	1,984,500
Less: Provision against other receivables	13.1	(1,983,000)	(1,983,000)
		<u>-</u>	<u>1,500</u>

13.1 This represented provision made against balance amount due from a ex-employee against fraud committed by him. The Company is pursuing the recovery and is hopeful that it will be able to recover the amount. However, as a matter of prudent, the provision against aforesaid balance has been fully provided for in these financial statements.

	Note	2024 Rupees	2023 Rupees
14 CASH AND BANK BALANCES			
These were held as under:			
In hand		653	367
Cash at bank:			
Current accounts			
Pertaining to brokerage house		1,319,557	327,376
		1,319,557	327,376
Deposit accounts			
Pertaining to brokerage house	14.1	11,767,893	4,646,623
		11,767,893	4,646,623
		<u>13,088,103</u>	<u>4,974,366</u>

14.1 These carry markup ranging from @ 12.5% to 18% (2023: @ 5% to 12.5%) per annum.

15 SHARE CAPITAL	2024 Rupees	2023 Rupees
Authorized 10,000,000 (2023: 10,000,000) ordinary shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up 4,500,100 (2023: 4,500,100) ordinary shares of Rs.10 each fully paid in cash	<u>45,001,000</u>	<u>45,001,000</u>

15.1 Categories of shareholders

	% age of Shares Held		Number of Shares Held	
	2024	2023	2024	2023
Individuals				
Director				
Mrs. Mahena Yasir	0.01%	0.01%	4,500	450
Chief Executive / Director				
Muhammad Yasir Mahmood	99.99%	99.99%	44,996,500	4,499,650
	<u>100%</u>	<u>100%</u>	<u>45,001,000</u>	<u>4,500,100</u>

16 DEFERRED TAXATION	2024 Rupees	2023 Rupees
Deferred tax liabilities/(assets) arising due to:		
Accelerated tax depreciation	182,976	137,874
Accelerated tax amortization	(784)	(37,742)
Provision against receivables	(66,972)	(67,800)
Provision against doubtful balances	(594,384)	(606,213)
Gain on long term investment	-	(1,003)
Punjab workers' welfare fund	(181,373)	-
Minimum taxes (levies) paid	(325,833)	(325,833)
Taxable business and depreciation losses	-	(2,511,478)
Unrealized loss on short term investment	456,772	(899,572)
Alternative corporate taxes paid	(71,196)	-
Capital losses (quoted)	(779,429)	(2,717,537)
Deferred tax asset not recognised	<u>1,380,223</u>	<u>7,029,304</u>
	-	-
Balance as at July 01,	-	130,971
Less: Charge for the year in:		
Profit or loss	-	(130,421)
Other comprehensive income	-	(550)
	-	(130,971)
	-	-

16.1 At the year end, net deductible temporary differences, taxable losses and tax credits resulted in a net deferred tax asset. However, deferred tax asset amounting Rs.1,380,223 has not been recognized in these financial statements being prudent. The management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2025.

16.2 Minimum taxes (levies) would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum taxes (Rupees)	Accounting year in which minimum tax will expire
2022	193,785	2027
2023	132,048	2026

16.3 Capital losses (quoted) would expire as follows:

Accounting year to which capital loss relates	Amount (Rupees)	Accounting year in which capital loss will expire
2023	5,196,191	2026

16.4 Alternate corporate tax would expire as follows:

Accounting year to which alternate capital tax relates	Amount (Rupees)	Accounting year in which capital loss will expire
2024	71,196	2034

	Note	2024 Rupees	2023 Rupees
17 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		<u>1,285,721</u>	<u>304,392</u>
18 TRADE AND OTHER PAYABLE			
Creditors for sale of shares on behalf of clients		369,913	369,913
Tax deducted at source payables		22,075	17,170
Sales tax payable		282,066	134,888
Other payables		<u>31,679</u>	<u>31,679</u>
		<u>705,733</u>	<u>553,650</u>
19 LOAN FROM BANKING COMPANY			
From financial instruction - Running finance	19.1	<u>-</u>	<u>15,003,029</u>
<p>19.1 The company had been sanctioned a credit limit of Rs. 20.00 million (2023: Rs. 20 million) by the JS Bank Limited to meet the working capital requirements of the company. This was secured against hypothecation charge over current assets of receivables with 25% margin and by token registered mortgage of Rs. 0.1 million, equitable mortgage over personal residential property of the chief executive and personal guarantee of all directors of the company having complete particulars and shareholding as referred to note 15 to the financial statements. This carried mark up at the rate of 3-month KIBOR plus 300 basis points.</p>			
20 PROVISION FOR TAXATION			
Opening balance		-	-
Provision for the year in respect of income taxes and levies		3,522,286	316,566
Adjustment made during the year		<u>(1,997,744)</u>	<u>(316,566)</u>
		<u>1,524,542</u>	<u>-</u>
21 CONTINGENCIES AND COMMITMENTS			
21.1 Commitments			
<p>21.1.1 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 5.00 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.</p>			
21.2 Contingencies			
<p>21.2.1 The Deputy Commissioner Inland Revenue (the DCIR), Unit-II, Range-I, Zone-I, LTO Lahore issued notice u/s 176(1) for the Tax Year 2018 dated 19-04-2023 regarding adjustment of refund of Rs.132,110 pertaining to tax year 2018 against the income tax payable with return. The Company complied the said notice and reply in this regard was submitted on 03-05-2023. No further correspondence has been received from tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.</p>			

- 21.2.2 The Deputy Commissioner Inland Revenue (the DCIR), Unit-II, Range-I, Zone-I LTO Lahore issued notice under Rule 44(4) of the Rules for the Tax Year 2017 dated 09-05-2023. The Company complied the said notice and the reply in regard was submitted on 23-06-2023. No further correspondence has been received from the tax department till date. The company has also filed an application for refund of tax paid in access amounting Rs.530,145 for the Tax Year 2017. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.
- 21.2.3 The Deputy Commissioner Inland Revenue (the DCIR), Unit-II, Range-I, Zone-I, LTO Lahore issued notice under 176(1) for the Tax Year 2021 dated 19-04-2023 for adjustment of refund of Rs.133,201 pertaining to tax year 2021 against the income tax payable with return. The Company complied the said notice by submitting reply dated 27-04-23. No further correspondence has been received from the tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.
- 21.2.4 Proceedings, under Rule 44(4) of the Income Tax Rules, 2002 for the Tax Year 2018 were initiated by the Assistant Commissioner Inland Revenue (ACIR) (Enforcement & Collection), Unit-VIII, Range-II, Zone-IV, CRTO, Lahore through notice dated January 08, 2019. The Company complied the said notice by submitting all the required reconciliations alongwith supporting data/documents, etc. through letter no. IT/Y-04/19/82, IT/Y-04/19/122 & IT/Y-04/19/175, dated January 31, 2019, February 13, 2019 & February 28, 2019 respectively. However, no further correspondence has been received from the tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.
- 21.2.5 The ACIR (Enforcement & Collection), Unit-VDT, Range-II, Zone-IV, CRTO, Lahore initiated the proceedings u/s 161/205 of the Ordinance for the Tax Year 2015 through notice no. 647 dated March 09, 2017. The Company through its authorized representative complied the aforesaid notice by submitting required data through letters no. IT/Y-04/17/256, IT/Y-04/17/296 and IT/Y-04/17/335 dated March 27, 2017, April 06, 2017 and April 21, 2017 respectively. However, no further correspondence has been received from the tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.
- 21.2.6 Proceedings, under Rule 44(4) of the Income Tax Rules, 2002 for Tax Year 2013 were initiated by the ACIR, Unit-V, Withholding Tax Zone, RTO, Lahore through notice dated April 04, 2014. The authorized representative of the Company complied the said notice and provided the complete data/information/documents along with supporting reconciliation vide letter no. Ref: IT/Y-04/14/211. Later, the DCIR (Enforcement & Collection), Unit-VIII, Range-II, Zone-IV, CRTO, Lahore issued notice u/s 161/205 of the Ordinance bearing no. 2691570/E&C-8, dated August 16, 2016. The Company through its AR complied the aforesaid notice through letters no. IT/Y-04/16/488 dated August 23, 2016. However, no further correspondence has been received from the tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.
- 21.2.7 The Deputy Commissioner Inland Revenue (DCIR), Unit-06, Enforcement, LTO, Lahore issued notice dated 19-04-2022 seeking explanation regarding non-declaration of Sales in Federal Sales Tax Returns for the period starting from July, 2020 to June, 2021. The Company complied the aforesaid notice through letter dated 26-04-2022 and contested that the Company is a service provider and the revenue declared in Income Tax Return is from services rendered in the province of the Punjab. As there was no activity in ICT during the said period. Therefore, the Company filed nil sales tax returns with FBR. No further correspondence has been received from the tax department till date. The company has good arguable position and there is likelihood that the same will be finally decided in favour of the company.

22 BROKERAGE AND COMMISSION

Brokerage and commission - gross
Less: Sales tax

	2024 Rupees	2023 Rupees
Brokerage and commission - gross	39,868,479	11,502,396
Less: Sales tax	(5,499,101)	(1,586,537)
	<u>34,369,378</u>	<u>9,915,859</u>

22.1 This includes commission earned from the following related parties:

Name of related party	Basis of relationship	2024	2023
Muhammad Yasir Mahmood	Chief Executive	45,989	65,804
Mahena Yasir	Director	754	-
		<u>46,743</u>	<u>65,804</u>

	Note	2024 Rupees	2023 Rupees
23 DIRECT COST			
Charges paid to:			
National Clearing Company trade fee		-	71,187
Central Depository Company charges		1,281	100,326
Pakistan Stock Exchange charges		422,124	87,276
LSE charges		98,000	80,500
E-Clear Service charges		1,428,927	355,705
Commission paid		140,079	1,434,614
		<u>2,090,411</u>	<u>2,129,608</u>
24 OPERATING EXPENSES			
Directors' remunerations		7,695,600	7,695,600
Salaries and other benefits		12,544,184	6,447,268
Rent, rates and taxes		106,897	47,840
Traveling and conveyance		115,210	73,818
Utilities		539,867	428,283
Communication charges		387,013	409,707
Printing and stationery		133,733	78,841
Repair and maintenance		423,516	752,570
Fee and subscription		473,992	320,279
Legal and professional charges	24.1	539,451	345,303
News papers and periodicals		-	5,050
Entertainment		710,289	302,438
Insurance		54,695	132,564
Postage and telegram		78,364	40,304
Donation		309,542	-
Depreciation	4	331,865	366,251
Amortization	5	167,500	167,500
Miscellaneous expenses		450,135	70,713
		<u>25,061,853</u>	<u>17,684,328</u>

24.1 Auditor's remuneration

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

	2024 Rupees	2023 Rupees
Amin, Mudassar & Co. Chartered Accountants		
Audit Services		
Statutory audit	115,000	90,000
Non-Audit Services		
Certification fee for regulatory purposes	25,500	18,000
	<u>140,500</u>	<u>108,000</u>

25 OTHER OPERATING EXPENSES

Un-realised loss on remeasurement of long term investment at fair value through profit or loss	101	8,020
Un-realised loss on remeasurement of short term investment at fair value through profit or loss	-	1,160,491
Un-realised loss on remeasurement of investment in mutual funds at fair value through profit or loss	-	3,329
Punjab workers' welfare fund	711,300	-
	<u>711,401</u>	<u>1,171,840</u>

	Note	2024 Rupees	2023 Rupees
26 OTHER INCOME			
Income from financial assets			
Dividend income		2,420,906	2,015,822
Profit on saving accounts		86,216	206,153
Profit on E-clear deposit		11,099,437	4,154,974
Un-realised Gain on remeasurement of short term investment		3,079,639	-
Interest on T-bills		-	14,092
Reversal of provision for doubtful debts		2,855	3,050
Reversal of provision for loans and advances		40,788	12,000
		<u>16,729,841</u>	<u>6,406,091</u>
Income from assets other than financial assets			
Account maintenance and custody fee		503,571	648,000
Other income		18,394	-
		<u>521,965</u>	<u>648,000</u>
		<u>17,251,806</u>	<u>7,054,091</u>

27 FINANCE COST			
Markup on borrowings		1,847,301	2,945,533
Bank charges		94,387	45,465
		<u>1,941,688</u>	<u>2,990,998</u>

	2024 Rupees	2023 Rupees (Restated)
28 LEVIES		
Minimum tax	-	132,048
Final tax	283,016	184,518
	<u>283,016</u>	<u>316,566</u>

28.1 This represents portion of minimum taxes/ final taxes paid under the provision of Income Tax Ordinance, 2001, representing levies in the financial statements.

	2024 Rupees	2023 Rupees (Restated)
29 TAXATION		
Income tax:		
-Current	3,239,270	-
-Prior year	-	247,056
-Deferred	-	(130,421)
	<u>3,239,270</u>	<u>116,635</u>

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

	Note	2024 Rupees	2023 Rupees
Classified as:			
Income tax	29	3,239,270	247,056
Levies	28	283,016	316,566
		<u>3,522,286</u>	<u>563,622</u>

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

	2024	2023
30 EARNINGS PER SHARE-BASIC AND DILUTED		
Profit/(loss) for the year - Rupees	<u>32,042,709</u>	<u>(16,885,708)</u>
Weighted average number of ordinary shares outstanding during the year - Numbers	<u>4,500,100</u>	<u>4,500,100</u>
Earnings per share-Rupees	<u>7.12</u>	<u>(3.75)</u>
	2024	2023
	(---N u m b e r---)	

31 NUMBER OF EMPLOYEES		
Number of employees at the end of year	<u>11</u>	<u>11</u>
Average number of employees during the year	<u>11</u>	<u>11</u>

32 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

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

	2024			
	-----Rupees-----			
	Chief Executive	Director	Executive	Total
Managerial Remuneration	<u>3,847,800</u>	<u>3,847,800</u>	<u>7,339,438</u>	<u>15,035,038</u>
Number of persons	<u>1</u>	<u>1</u>	<u>3</u>	<u>5</u>
	2023			
	-----Rupees-----			
Managerial Remuneration	<u>3,847,800</u>	<u>3,847,800</u>	<u>1,438,560</u>	<u>9,134,160</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

The Chief Executive and directors are entitled to free use of cars having cost amounting Rs. 2,750,000 according to the company's policy.

	Note	2024 Rupees	2023 Rupees
33 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets and financial liabilities:			
Financial assets			
At fair value through profit or loss			
Long term investment		-	13,065
At fair value through profit or loss			
Short term investment		20,357,101	12,582,343
At amortized cost			
Long term deposits		227,500	227,500
Trade debts		-	-
Trade deposits		7,240,419	4,554,534
Other receivable		-	1,500
Cash and bank balances		13,088,103	4,974,366
		<u>40,913,123</u>	<u>22,353,308</u>
Financial liabilities			
At amortized cost			
Deposits, accrued liabilities and advances		1,285,721	304,392
Trade and other payables		401,592	401,592
Accrued markup		-	913,629
Loan from banking company		-	15,003,029
		<u>1,687,313</u>	<u>16,622,642</u>

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34 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 except as disclosed in note 3.21.

35 GENERAL

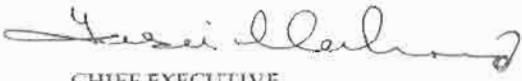
Figures have been rounded off to the nearest of rupee.

36 DATE OF AUTHORISATION FOR ISSUE

23 SEP 2024

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

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CHIEF EXECUTIVE



DIRECTOR