

Independent Auditor's Report to the Members of GULREZ SECURITIES (PVT.) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **GULREZ SECURITIES (PVT.) LIMITED** (the company), which comprise the statement of financial position as at June 30, 2025, 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, 2025 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:

24 SEP 2025

UDIN: AR202510082zYVDv8hoC

GULREZ SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	7,467,973	3,122,851
Intangible assets	5	6,664,000	6,664,000
Long term investments	6	-	5,611,481
Long term deposits	7	100,000	100,000
		14,231,973	15,498,332
CURRENT ASSETS			
Investment at fair value through profit or loss	8	21,342,850	19,115,300
Trade deposits, short term prepayments and current account balances with statutory authorities	9	10,272,680	1,269,223
Tax deducted at source/advance income tax	10	-	115,902
Cash and bank balances	11	938,244	37,241
		32,553,774	20,537,666
		46,785,747	36,035,998
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	35,025,000	35,025,000
Revenue reserve		6,896,991	(782,344)
Unappropriated profit/accumulated loss			
		41,921,991	34,242,656
NON-CURRENT LIABILITIES			
Deferred taxation	13	1,229,713	944,023
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	14	306,576	148,368
Trade and other payable	15	880,532	700,951
Short term loan from related parties	16	2,000,000	-
Provision for taxation	17	446,935	-
		3,634,043	849,319
CONTINGENCIES AND COMMITMENTS			
	18	-	-
		46,785,747	36,035,998

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


CHIEF EXECUTIVE


DIRECTOR

GULREZ SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Brokerage and commission	19	10,034,785	5,177,587
Capital gain/(loss) on listed securities		<u>3,975,702</u>	<u>62,419</u>
		14,010,487	5,240,006
Direct cost	20	<u>(1,250,556)</u>	<u>(561,750)</u>
		12,759,931	4,678,256
Operating expenses	21	<u>(10,092,100)</u>	<u>(7,909,161)</u>
Other operating expenses	22	<u>(183,430)</u>	<u>(126,547)</u>
Other income	23	<u>6,692,071</u>	<u>9,690,805</u>
		(3,583,459)	1,655,097
PROFIT FROM OPERATIONS		9,176,472	6,333,353
Finance cost	24	<u>(4,994)</u>	<u>(6,008)</u>
PROFIT BEFORE LEVIES AND INCOME TAX		9,171,478	6,327,345
Levies	25	<u>(1,206,453)</u>	<u>(591,093)</u>
PROFIT BEFORE INCOME TAX		<u>7,965,025</u>	<u>5,736,252</u>
Income tax	26	<u>(285,690)</u>	<u>(968,560)</u>
PROFIT AFTER INCOME TAX		<u>7,679,335</u>	<u>4,767,692</u>
EARNINGS PER SHARE-BASIC AND DILUTED	27	<u>2.19</u>	<u>1.36</u>

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


CHIEF EXECUTIVE

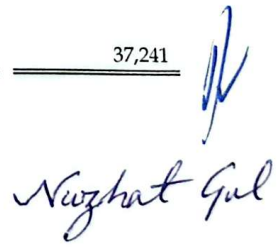

DIRECTOR

GULREZ SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,171,478	6,327,345
Adjustments for non cash items:			
Depreciation	4	516,293	422,952
Unrealized gain on remeasurement of investments	8	(2,227,550)	(6,229,011)
Dividend income		(3,198,113)	(2,994,184)
Interest received		(1,154,429)	(467,610)
Gain on disposal of fixed assets		(111,979)	-
Capital gain on listed securities		(3,975,702)	(62,419)
		<u>(10,151,480)</u>	<u>(9,330,272)</u>
Operating Cash Flows Before Working Capital Changes		(980,002)	(3,002,927)
Changes In Working Capital			
(Increase) / decrease in current assets			
Loans and advances		-	-
Trade deposits, short term prepayments		(9,003,457)	(425,761)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		158,208	(38,432)
Trade and other payable		179,581	127,956
		<u>(8,665,668)</u>	<u>(336,237)</u>
Cash Used in Operations		(9,645,670)	(3,339,164)
Taxes/levies paid		(643,616)	(627,847)
Dividend received		3,198,113	2,994,184
Interest received		1,154,429	467,610
Net Cash Used in Operations		<u>(5,936,744)</u>	<u>(505,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(7,099,435)	(301,000)
Proceeds from disposal of fixed assets		2,350,000	-
Proceeds from redemption of long term investments		9,587,182	-
Proceeds from redemption of short term investments		-	758,869
Net Cash Generated from Investing Activities		4,837,747	457,869
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan obtained from related parties		2,000,000	-
Net Cash Generated from Financing Activities		2,000,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		901,003	(47,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		37,241	84,589
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>938,244</u>	<u>37,241</u>
A - Cash and Cash Equivalents			
Cash and bank balances	11	<u>938,244</u>	<u>37,241</u>

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


CHIEF EXECUTIVE


DIRECTOR

GULREZ SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
Profit for the year	7,679,335	4,767,692
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year	-	-
Total comprehensive income for the year	7,679,335	4,767,692

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


CHIEF EXECUTIVE


DIRECTOR

GULREZ SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Paid up share capital	Accumulated Profit/(loss)	Fair value Adjustment Reserve	Total
	----- (R u p e e s) -----			
Balance as at June 30, 2023	35,025,000	(5,550,036)	-	29,474,964
Profit after taxation	-	4,767,692	-	4,767,692
Other comprehensive income	-	-	-	-
Total comprehensive income	-	4,767,692	-	4,767,692
Balance as at June 30, 2024	35,025,000	(782,344)	-	34,242,656
Profit after taxation	-	7,679,335	-	7,679,335
Other comprehensive income	-	-	-	-
Total comprehensive income	-	7,679,335	-	7,679,335
Balance as at June 30, 2025	35,025,000	6,896,991	-	41,921,991

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


CHIEF EXECUTIVE


DIRECTOR

GULREZ SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 COMPANY AND ITS OPERATION

- 1.1 The company was incorporated on February 28, 2007 as Private Company Limited under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and commenced its business on June 01, 2007. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room No. 307, 3rd Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

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 for certain items as disclosed in the relevant accounting policies below.

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 debts
- 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 day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to 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 amortized is charged using straight line method.

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

3.3 METHOD OF PREPARATION OF CASH FLOW

The cash flow statement is prepared using indirect method.

3.4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially measured at its fair value, which is normally the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) and subsequently at amortised cost less impairment, except for investments that are publicly traded or whose fair value can otherwise be measured reliably without undue cost or effort. Such investments are measured at fair value with changes in fair value recognised in profit or loss.

Financial assets are derecognized when rights to cash flows from financial assets are settled or expired. Financial liabilities are derecognized when these are extinguished.

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Institute has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.5 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.

3.6 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.

3.7 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 PAYABLES

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



3.12 PROVISIONS

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

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

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

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

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

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 profit and loss account.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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



3.16 IMPAIRMENT OF FINANCIAL ASSETS OTHER THAN TRADE RECEIVABLES

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cashflows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit & loss & the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.17 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 profit and 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.

3.18 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.



4 Operating fixed assets

Particulars	Cost			Depreciation			W.D.V.
	As at June 30, 2024	Additions (Deletions)	As at June 30, 2025	Rate %	As at June 30, 2024 (Deletions)	Charge for the year	As at June 30, 2025

----- R u p e e s -----

----- R u p e e s -----

OWNED

Computers	1,072,994	-	-	1,072,994	30	650,000	-	126,898	776,898	296,096
Furniture and fixtures	157,078	17,000	-	174,078	10	73,984	-	9,050	83,034	91,044
Office equipment	177,241	-	-	177,241	10	83,855	-	9,339	93,194	84,047
Air conditioner	239,296	-	-	239,296	10	112,395	-	12,690	125,085	114,211
Vehicles	3,198,500	7,082,435	(3,198,500)	7,082,435	10	802,024	(960,480)	358,316	199,860	6,882,575
	4,845,109	7,099,435	(3,198,500)	8,746,044		1,722,258	(960,480)	516,293	1,278,071	7,467,973

4.1 Operating fixed assets

Particulars	Cost				Depreciation			W.D.V.	
	As at June 30, 2023	Additions	(Deletions)	As at June 30, 2024	Rate %	As at June 30, 2023	(Deletions)	Charge for the year	As at June 30, 2024

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OWNED

Computers	771,994	301,000	-	1,072,994	30	527,033	-	122,967	650,000	422,994
Furniture and fixtures	157,078	-	-	157,078	10	64,751	-	9,233	73,984	83,094
Office equipment	177,241	-	-	177,241	10	73,479	-	10,376	83,855	93,386
Air conditioner	239,296	-	-	239,296	10	98,295	-	14,100	112,395	126,901
Vehicles	3,198,500	-	-	3,198,500	10	535,749	-	266,275	802,024	2,396,476
	4,544,109	301,000	-	4,845,109		1,299,307	-	422,951	1,722,258	3,122,851

4.2 Allocation of Depreciation:

Operating expenses

21 516,293 422,951



	Note	2025 Rupees	2024 Rupees
5 INTANGIBLE ASSETS			
Rights of room		4,164,000	4,164,000
Trading right entitlement certificate	5.1	<u>2,500,000</u>	<u>2,500,000</u>
		<u>6,664,000</u>	<u>6,664,000</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.

	Note	2025 Rupees	2024 Rupees
6 LONG TERM INVESTMENTS			
Quoted			
At fair value through profit or loss			
Cost as at July 01,		-	9,553,797
Fair value adjustment		<u>-</u>	<u>(3,942,316)</u>
	6.1	<u>-</u>	<u>5,611,481</u>

6.1 Particulars of investment

Cost

Opening balance	9,553,797	9,553,797
Disposal during the year	<u>(9,553,797)</u>	<u>-</u>
	-	9,553,797

Fair value adjustment

Opening balance	(3,942,316)	(546,977)
Disposal during the year	<u>3,942,316</u>	<u>-</u>
Unrealized Gain/loss for the year	-	(3,395,339)
	-	<u>(3,942,316)</u>
	<u>-</u>	<u>5,611,481</u>

7 LONG TERM DEPOSITS

Deposits with:

Central Depository Company of Pakistan	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

	Note	2025 Rupees	2024 Rupees
12 SHARE CAPITAL			
Authorized			
4,500,000 (2024: 4,500,000) ordinary shares of Rs.10 each		<u>45,000,000</u>	<u>45,000,000</u>
Issued, subscribed and paid up			
2,500 (2024: 2,500) ordinary shares of Rs.10 each fully paid in cash		25,000	25,000
3,500,000 (2024: 3,500,000) ordinary shares of Rs.10 each fully paid for consideration other than cash (Against membership card, rights of room and other fixed assets)		35,000,000	35,000,000
		<u>35,025,000</u>	<u>35,025,000</u>

	Number of Shares Held		Number of Shares Held	
	2025	2024	2025	2024
12.1 Categories of shareholders				
Individual				
Chief Executive				
Mr. Farhan Gulrez Rashid	29.16%	29.16%	1,021,479	1,021,479
Directors				
Ms. Nuzhat Gulrez Rashid	12.51%	12.51%	438,063	438,063
Mr. Salman Gulrez Rashid	29.16%	29.16%	1,021,479	1,021,479
Shareholder				
Mr. Nauman Gulrez Rashid	29.16%	29.16%	1,021,479	1,021,479
	<u>100%</u>	<u>100%</u>	<u>3,502,500</u>	<u>3,502,500</u>

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

	2025 Rupees	2024 Rupees
13 DEFERRED LIABILITIES		
Deferred taxation		
Deferred credits/(debits) arising due to:		
Accelerated tax depreciation	182,924	160,516
Provincial workers' welfare fund payable	(96,304)	(62,916)
Unrealized loss on long term investment	-	(394,232)
Unrealized gain on short term investment	1,672,388	1,338,255
Capital losses on investments	(179,800)	-
Taxable losses	-	(665,187)
Minimum taxes paid	(105,704)	(105,704)
Alternative corporate taxes paid	(243,791)	-
Deferred tax asset not recognised	-	673,291
	<u>1,229,713</u>	<u>944,023</u>
Balance as at July 01,	944,023	-
Add: Charge for the year in profit or loss	285,690	944,023
	<u>1,229,713</u>	<u>944,023</u>

13.1 Minimum tax credits would expire as follows:

Accounting year to which minimum taxes relates	Rupees	Accounting year in which minimum taxes will expire
2023	35,139	2026
2024	70,565	2027

13.2 Alternative corporate tax credits would expire as follows:

Accounting year to which alternative corporate taxes relates	Rupees	Accounting year in which alternative corporate taxes will expire	
2025	243,791	2025	2024
		Rupees	Rupees
14 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses		306,577	148,369
15 TRADE AND OTHER PAYABLE			
Creditors		341,748	341,748
Tax deducted at source payable		-	3,849
Punjab workers' welfare fund payable		538,784	355,354
		880,532	700,951
16 SHORT TERM LOAN FROM RELATED PARTIES			
(unsecured and interest free)			
Loan from chief executive	16.1	2,000,000	-
		2,000,000	-

16.1	Particulars	Basis of Association	Aggregate % of shareholding	2025	2024
				Rupees	Rupees
	Mr. Farhan Gulrez Rashid	Chief Executive	29.16%	2,000,000	-

16.1.1 This represent interest free and unsecured loan obtained from chief executive of the company to meet the working capital requirements of the company and has been utilized for the said purpose. This is payable on demand of the lender.

17 PROVISION FOR TAXATION

Opening balance		-	-
Provision for the year in respect of income taxes and levies	26.1	1,206,453	615,630
Adjustment made during the year	10	(759,518)	(615,630)
		446,935	-

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 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 to meet the Base Minimum Capital requirements.

18.1.2 The company has received show cause notice from Federal Board of Revenue dated June 20, 2022 Writ Petition No.47902/2022 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 is pending for decision. On 19 June 2025, the Hon'able high court decided case in favour of the company that concerned office of FBR shall proceed to determine the status of the company and determine the company obligations and the FBR shall not take coercive measures for recovery of penalties imposed under section 182 (1)(17) till the determination of the obligations of the company under the relevant provisions of the law.

18.2 Commitments

Commitments as at reporting date were Rs. nil (2024: Rs. nil).

	Note	2025 Rupees	2024 Rupees
19 BROKERAGE AND COMMISSION			
Retail customers		11,640,351	6,005,998
Less: Sales tax		<u>(1,605,566)</u>	<u>(828,411)</u>
		<u>10,034,785</u>	<u>5,177,587</u>
20 DIRECT COST			
Pakistan Stock Exchange Expenses		646,035	365,099
Eclear Services Limited Charges		604,521	196,551
National Clearing Company of Pakistan Limited Charges		<u>-</u>	<u>100</u>
		<u>1,250,556</u>	<u>561,750</u>
21 OPERATING EXPENSES			
Directors' remuneration		3,038,000	2,570,000
Staff salaries and benefits		4,563,900	3,139,000
Communication expenses		197,709	177,180
Rent, rates and taxes		47,315	46,850
Legal and professional charges	21.1	104,000	184,350
Fee and subscription		147,540	130,608
Postage and courier		8,701	6,419
Electricity charges		419,277	435,042
Printing and stationery		8,087	11,610
Office expenses		134,353	106,864
Vehicle running and maintenance		156,832	140,519
Insurance		92,573	75,600
Newspapers and periodicals		7,795	6,900
Repair and maintenance		5,800	172,331
Entertainment		456,708	252,497
Depreciation	4.2	516,293	422,952
Miscellaneous		<u>187,217</u>	<u>30,439</u>
		<u>10,092,100</u>	<u>7,909,161</u>

21.1 Auditor's remuneration

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

	Note	2025 Rupees	2024 Rupees
Amin, Mudassar & Co.			
Chartered Accountants			
Statutory audit		<u>84,000</u>	<u>84,000</u>
		<u>84,000</u>	<u>84,000</u>

22 OTHER OPERATING EXPENSES

Punjab workers' welfare fund		<u>183,430</u>	<u>126,547</u>
		<u>183,430</u>	<u>126,547</u>

	Note	2025 Rupees	2024 Rupees
23 OTHER INCOME			
Income from financial assets			
Dividend income		3,198,113	2,994,184
Gain on remeasurnment of investment at fair value through profit or loss		2,227,550	6,229,011
Interest income		1,154,429	467,610
From non-financial assets			
Gain on dispoal of fixed asset		111,979	-
		<u>6,692,071</u>	<u>9,690,805</u>

	Note	2025 Rupees	2024 Rupees
24 FINANCE COST			
Bank charges		<u>4,994</u>	<u>6,008</u>
25 LEVIES			
Minimum tax		-	70,565
Alternative corporate tax		726,736	-
Final tax		<u>479,717</u>	<u>520,528</u>
		<u>1,206,453</u>	<u>591,093</u>

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

	Note	2025 Rupees	2024 Rupees
26 TAXATION			
Current		-	24,537
Prior		-	-
Deferred	13	<u>285,690</u>	<u>944,023</u>
		<u>285,690</u>	<u>968,560</u>

26.1 Bifurcation/reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'Levies' is as follows:

	Note	2025 Rupees	2024 Rupees
Classified as:			
Income tax	26	-	24,537
Levies	25	<u>1,206,453</u>	<u>591,093</u>
		<u>1,206,453</u>	<u>615,630</u>

26.2 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 final tax regime, minimum tax regime or alternative corporate tax regime of the Income Tax Ordinance, 2001.

	2025	2024
27 EARNINGS PER SHARE-BASIC AND DILUTED		
Profit for the year-Rupees	<u>7,679,335</u>	<u>4,767,692</u>
Weighted average number of ordinary shares outstanding during the year-Numbers	<u>3,502,500</u>	<u>3,502,500</u>
Earnings per share-Rupees	<u>2.19</u>	<u>1.36</u>

	2025 (-----N u m b e r-----)	2024 (-----N u m b e r-----)
28 NUMBER OF EMPLOYEES		
Number of employees at the end of year	<u>4</u>	<u>4</u>
Average number of employees during the year	<u>4</u>	<u>4</u>

29 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVE

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:

	2025 -----Rupees-----		
	Chief Executive	Director	Executive
Managerial Remuneration	1,952,727	809,091	1,779,909
Medical allowance	195,273	80,909	177,991
	<u>2,148,000</u>	<u>890,000</u>	<u>1,957,900</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>
	2024 -----Rupees-----		
	Chief Executive	Director	Executive
Managerial Remuneration	1,790,909	545,455	1,290,000
Medical allowance	179,091	54,545	129,000
	<u>1,970,000</u>	<u>600,000</u>	<u>1,419,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>

- 29.1 The Chief Executive is entitled to free use of cars having cost amounting Rs. 7,082,435 according to the company's policy.

	Note	2025 Rupees	2024 Rupees
30 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets and financial liabilities			
Financial assets			
Investment at fair value through profit or loss			
Long term investment		-	5,611,481
Investment at fair value through profit or loss			
Investments in listed securities		21,342,850	19,115,300
At amortised cost			
Long term deposits		100,000	100,000
Trade deposits and short term prepayments		10,257,453	1,269,223
Cash and bank balances		938,244	37,241
		11,295,697	1,406,464
Financial liabilities			
At amortized cost			
Deposits, accrued liabilities and advances		306,576	148,368
Trade and other payables		341,748	341,748
		648,324	490,116

31 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.

32 GENERAL

Figures have been rounded off to the nearest of rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on **24 SEP 2025** by the Board of Directors of the Company.


CHIEF EXECUTIVE



DIRECTOR