

DIRECTOR'S REPORT

On behalf of the Board of Directors of *MGM Securities (Private) Limited* ("the Company"), I am pleased to present the Directors' Report along with the audited financial statements and the Auditor's Report for the financial year ended June 30, 2025.

Financial Performance

The Company has continued its consistent performance, delivering positive results during the year under review. For the year ended June 30, 2025, the Company recorded a net profit of Rs. 15,701,991/- as compared to a profit of Rs. 9,213,723/- in the last year.

This performance reflects the Company's resilience and ability to adapt effectively in a rapidly changing business environment. The improvement was achieved through sustained focus on operational efficiency, process optimization, and prudent management practices.

Economic Outlook

The management acknowledges that the broader economic environment remains challenging, characterized by high inflation, currency depreciation, political uncertainty, and volatile macroeconomic fundamentals—all of which may affect customer demand and overall business sentiment. Nevertheless, the Company remains committed to sustaining its operational and financial performance amidst these challenges.

Future Outlook

Looking ahead, the Company remains cautiously optimistic about its prospects. The ongoing economic reforms introduced by the present government, coupled with the dedication of our workforce and continued emphasis on operational excellence, provide confidence in the Company's ability to navigate challenges and sustain growth in the coming year.

Profit Appropriation

Cash dividend of Rs.8.00 per share paid during the financial year ended June 30, 2025. This dividend reflects the Company's strong financial position and its commitment to delivering consistent returns to its valued shareholders.

Acknowledgement

The Board expresses its sincere appreciation to the Company's executives and staff for their continued commitment, hard work, and dedication in ensuring the smooth and efficient management of the Company's affairs.

On behalf of the Board,

Ghulam Mohi Ud Din
Chief Executive
Lahore, September 16, 2025



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

Opinion

We have audited the annexed financial statements of **MGM 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- 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
16 SEP 2025

Lahore

UDIN: AR202510082IXkUGLahM

MGM 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	11,906,771	12,962,048
Intangible assets	5	2,500,000	2,500,000
Long term investments	6	11,164,079	5,611,475
Long term deposits	7	81,000	81,000
		<u>25,651,850</u>	<u>21,154,523</u>
CURRENT ASSETS			
Loans and advances	8	149,500	1,587,500
Trade deposits, short term prepayments and current account balance with statutory authorities	9	51,186,485	21,797,906
Tax deducted at source/advance income tax	10	1,197,161	1,857,696
Cash and bank balances	11	25,179,931	43,758,896
		<u>77,713,077</u>	<u>69,001,998</u>
		<u>103,364,927</u>	<u>90,156,521</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	50,000,000	50,000,000
Un-appropriated profit		<u>48,698,213</u>	<u>36,996,222</u>
		<u>98,698,213</u>	<u>86,996,222</u>
NON CURRENT LIABILITIES			
Deferred taxation	13	1,303,761	1,028,978
		<u>1,303,761</u>	<u>1,028,978</u>
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	14	804,757	278,955
Trade and other payables	15	2,558,196	1,852,366
Provision for taxation	16	-	-
		<u>3,362,953</u>	<u>2,131,321</u>
CONTINGENCIES AND COMMITMENTS			
	17	-	-
		<u>103,364,927</u>	<u>90,156,521</u>

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

CHIEF EXECUTIVE





DIRECTOR

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

		2025	2024
	Note	Rupees	Rupees
Operating revenue	18	30,115,185	19,456,246
Direct costs	19	<u>(6,259,585)</u>	<u>(3,419,394)</u>
		23,855,600	16,036,852
Operating expenses	20	(23,421,915)	(19,967,918)
Other operating expenses	21	(401,717)	(3,637,228)
Other income	22	20,067,612	18,454,320
		<u>(3,756,020)</u>	<u>(5,150,826)</u>
PROFIT FROM OPERATIONS		20,099,580	10,886,026
Finance cost	23	<u>(3,706)</u>	<u>(9,315)</u>
PROFIT BEFORE LEVIES AND INCOME TAX		20,095,874	10,876,711
Levies	24	(144,819)	(63,211)
PROFIT BEFORE INCOME TAX		<u>19,951,056</u>	<u>10,813,500</u>
Income tax	25	(4,249,065)	(1,599,777)
PROFIT FOR THE YEAR		<u>15,701,991</u>	<u>9,213,723</u>
EARNINGS PER SHARE - BASIC AND DILUTED	26	<u>31.40</u>	<u>18.43</u>

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


CHIEF EXECUTIVE




DIRECTOR

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

	2025 Rupees	2024 Rupees
Profit for the year	15,701,991	9,213,723
Items that will not be reclassified subsequently to profit and loss	-	-
Items that may be reclassified subsequently to profit and loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	15,701,991	9,213,723

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


CHIEF EXECUTIVE




DIRECTOR

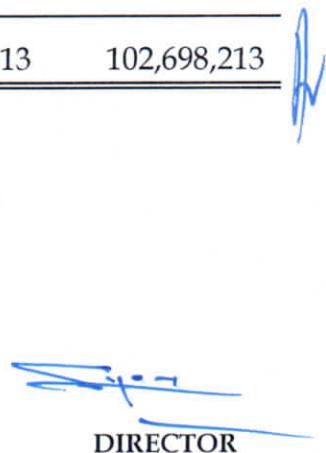
MGM SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Paid up capital	Un- appropriated profit	Total
	----- (R u p e e s) -----		
Balance as at June 30, 2023	50,000,000	27,782,499	77,782,499
Profit after taxation	-	9,213,723	9,213,723
Other comprehensive loss	-	-	-
Total comprehensive loss for the year	-	9,213,723	9,213,723
Balance as at June 30, 2024	50,000,000	36,996,222	86,996,222
Dividend paid		(4,000,000)	(4,000,000)
Profit after taxation	-	15,701,991	15,701,991
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	11,701,991	15,701,991
Balance as at June 30, 2025	50,000,000	48,698,213	102,698,213

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


CHIEF EXECUTIVE



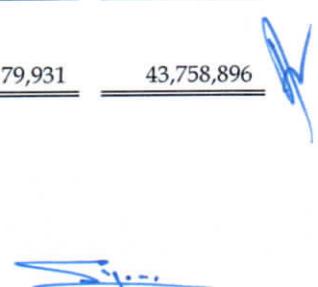

DIRECTOR

MGM 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 levies and income tax		20,095,874	10,876,711
Adjustments of items not involving movements of cash:			
Depreciation	4	1,126,277	1,216,850
Reversal of provision for doubtful debts	22	-	(530,577)
(Gain)/loss on remeasurement of investment	22	(5,552,604)	3,395,338
Dividend income	22	(965,457)	(421,405)
Interest income	22	(12,911,551)	(17,005,773)
		(18,303,335)	(13,345,567)
Operating cash flows before working capital changes		1,792,539	(2,468,856)
(Increase) / decrease in working capital			
(Increase) / decrease in current assets			
Trade debts		-	11,089,200
Loans and advances		1,438,000	(241,000)
Trade deposits and short term prepayments		(29,388,579)	(10,997,906)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		525,802	(166,509)
Trade and other payables		705,830	(18,039,537)
		(26,718,947)	(18,355,752)
Cash used in operations		(24,926,408)	(20,824,608)
Taxes paid		(3,458,565)	(2,958,237)
Dividend received		965,457	421,405
Interest received		12,911,551	17,005,773
Net cash used in operating activities		10,418,443	14,468,941
CASH FLOWS FROM INVESTING ACTIVITIES		(14,507,965)	(6,355,667)
Fixed capital expenditure		(71,000)	(260,000)
Long term deposits refunded		-	1,730,000
Net cash (used in)/generated from investing activities		(71,000)	1,470,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(4,000,000)	-
Net cash used in financing activities		(4,000,000)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(18,578,965)	(4,885,667)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		43,758,896	48,644,563
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	25,179,931	43,758,896
A - Cash and Cash Equivalents			
Cash and bank balances	11	25,179,931	43,758,896

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

CHIEF EXECUTIVE

DIRECTOR

MGM 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 as Private Limited Company on October 27, 2003 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The company is engaged in the business of share brokerage and investment in securities. The company is holder of Trading Right Entitlement Certificate (TREC) [Trading Only] of Pakistan Stock Exchange.

The geographical location and address of the company's business units are as follows:

Head Office:

Room No. G-10, Ground Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

Faisalabad Office:

Room No 522 ,5th floor, State Life Building, Liaquat Bazar, Faisalabad.

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

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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 from day in which an asset is ready to use. Normal repair and maintenance is charged to profit or loss 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 through reducing balance method.

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 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.

(Signature)

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.

3.8 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.

3.9 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.

3.10 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.

3.11 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 or loss.



3.12 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.

3.13 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 or loss 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.

3.14 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.

3.15 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.

3.16 RELATED PARTY TRANSACTIONS

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

3.17 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.



3.18 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.

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4 PROPERTY AND EQUIPMENT

Particulars	Cost				Depreciation				W.D.V As at June 30, 2025
	As at June 30, 2024	Additions	Adjustment	As at June 30, 2025	Rate %	As at June 30, 2024	Charge for the year	Adjustment	
----- R u p e e s -----									----- R u p e e s -----
OWNED									
Furniture and fittings	1,028,586	-	-	1,028,586	10%	914,741	11,385	-	926,126
Office equipment	579,150	71,000	-	650,150	10%	315,561	26,554	-	342,115
Computers	837,600	-	-	837,600	30%	648,392	56,762	-	705,154
Building	11,500,000	-	-	11,500,000	5%	7,340,714	207,964	-	7,548,678
Vehicles	10,408,632	-	-	10,408,632	10%	2,172,512	823,612	-	2,996,124
	24,353,968	71,000	-	24,424,968		11,391,920	1,126,277	-	12,518,197
									11,906,771
4.1 PROPERTY AND EQUIPMENT									
Particulars	Cost				Depreciation				W.D.V As at June 30, 2024
	As at June 30, 2023	Additions	Transfer	As at June 30, 2024	Rate %	As at June 30, 2023	Charge for the year	Adjustment	
----- R u p e e s -----									----- R u p e e s -----
OWNED									
Furniture and fittings	1,028,586	-	-	1,028,586	10%	902,091	12,650	-	914,741
Office equipment	384,150	195,000	-	579,150	10%	300,994	14,567	-	315,561
Computers	772,600	65,000	-	837,600	10%	592,794	55,598	-	648,392
Building	11,500,000	-	-	11,500,000	5%	7,121,804	218,910	-	7,340,714
Vehicles	10,408,632	-	-	10,408,632	10%	1,257,387	915,125	-	2,172,512
	24,093,968	260,000	-	24,353,968		10,175,070	1,216,850	-	11,391,920
									12,962,048
2025		2024							
Rupees		Rupees							
Note	20	1,126,277	1,216,850						

4.2 Allocation of Depreciation:

Operating expenses

20



		Note	2025 Rupees	2024 Rupees
5	INTANGIBLE ASSETS			
	Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
			2,500,000	2,500,000

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

		Note	2025 Rupees	2024 Rupees
6	LONG TERM INVESTMENTS			
	Quoted Investments			
	At fair value through profit or loss			
	Cost	6.1	678,450	678,450
	Fair value adjustment	6.2	10,485,629	4,933,025
			11,164,079	5,611,475

6.1 The breakup of respective holding is as

	Total No. of shares	Total Rupees	Pledge Rupees
LSE Capital Limited	245,294	1,471,764	-
LSE Venture Limited	842,810	9,692,315	-
	1,088,104	11,164,079	-

		Note	2025 Rupees	2024 Rupees
6.2	Movement in fair value adjustment reserve			
Opening balance			4,933,025	8,328,363
Movement during the year			5,552,604	(3,395,338)
Closing balance			10,485,629	4,933,025

7 LONG TERM DEPOSITS

Deposits with/against:

		Note	2025 Rupees	2024 Rupees
Rental property			81,000	81,000
			81,000	81,000

8 LOANS AND ADVANCES

Advances to: (Interest free and un-secured but considered good)

		Note	2025 Rupees	2024 Rupees
Employees			149,500	388,500
Director - Syed Hassan Iqbal	8.1		-	1,199,000
			149,500	1,587,500

[Signature]

8.1 Advances to Director - Mr.Syed Hassan Iqbal

Balance as at July 01,	1,199,000	1,280,000
Disbursed during the year	-	-
Recovered during the year	(1,199,000)	(81,000)
	<u>-</u>	<u>1,199,000</u>

8.2 Particulars of advance to director:

Name	Basis of relationship	Maximum aggregate amount	2025
		Rupees	Rupees
Syed Hassan Iqbal	Director	1,199,000	<u>-</u>

8.3 This represented short term advance obtained by the director of the company. It was recoverable on demand of the company and it has been settled during the year.

	Note	2025	2024
		Rupees	Rupees
9 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			

Deposits with:

E Clear Services Limited	9.1	51,186,485	21,797,906
		<u>51,186,485</u>	<u>21,797,906</u>

9.1 This carries profit ranging from 10% to 15%.

10 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX

Opening balance	1,857,696	2,231,286
Prior year adjustment	346,701	-
Income tax/levies deducted during the year	3,111,865	2,958,237
Adjustment made during the year against:		
Income taxes	(3,974,282)	(3,268,616)
Levies	(144,819)	(63,211)
	(4,119,101)	(3,331,827)
	<u>1,197,161</u>	<u>1,857,696</u>

11 CASH AND BANK BALANCES

These were held as under:

Cash in hand	14,211	10,708
Cash at bank:		
in current accounts		
Pertaining to brokerage house	17,262,741	30,940,041
Pertaining to clients	342,162	464,735
	17,604,903	31,404,776
in saving accounts		
Pertaining to brokerage house	7,560,817	12,343,412
	<u>25,179,931</u>	<u>43,758,896</u>

12 SHARE CAPITAL

Authorized

600,000 (2024: 600,000) ordinary shares
of Rs.100 each

12.1 60,000,000 60,000,000

Issued, subscribed and paid up

500,000 (2024: 500,000) ordinary shares
of Rs.100 each issued paid in cash

50,000,000 50,000,000

12.1 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2025	2024	2025	2024
Individuals				
Chief Executive				
Mian Ghulam Mohiuddin	59%	59%	297,297	297,297
Directors				
Zia Mohiuddin	1%	1%	5,406	5,406
Hassan Iqbal	38%	38%	191,891	191,891
Shareholder				
Mrs. Nagina Akhter	1%	1%	5,406	5,406
	<u>100%</u>	<u>100%</u>	<u>500,000</u>	<u>500,000</u>

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

	Note	2025	2024	
		Rupees	Rupees	
13 DEFERRED TAXATION				
Deferred credits/(debits) arising due to:				
Accelerated tax depreciation		985,145	887,153	
Unrealized gain on long term investment		786,422	493,302	
Punjab worker's welfare fund payable		(277,496)	(161,167)	
Brought forward losses		(190,310)	(190,310)	
		<u>1,303,761</u>	<u>1,028,978</u>	
Balance as at July 01,		1,028,978	2,697,817	
Add: Charged during the year		274,783	(1,668,839)	
		<u>1,303,761</u>	<u>1,028,978</u>	

13.3 Depreciation losses with no limit to expire are follows:

Accounting year to which depreciation loss relates	Rupees	2025	2024
	Note	Rupees	Rupees
2023		656,241	

**14 DEPOSITS, ACCRUED LIABILITIES
AND ADVANCES**

Accrued expenses 804,757 278,955

15 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients	1,114,976	1,190,020
Sales tax payable	449,842	89,395
Punjab worker's welfare fund payable	974,668	572,951
Tax deducted at source payable	18,710	-
	<u>2,558,196</u>	<u>1,852,366</u>

L. mohiuddin

S. Iqbal

N

		Note	2025 Rupees	2024 Rupees
16	PROVISION FOR TAXATION			
	Opening balance		-	-
	Provision for the year in respect of income taxes and levies	25.1	4,119,101	3,331,827
	Adjustment made during the year	10	(4,119,101)	(3,331,827)
	Tax paid during the year		-	-
			<u><u>-</u></u>	<u><u>-</u></u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 The company received notice from Federal Board of Revenue dated June 27, 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 dated October 26, 2022 before the Lahore High Court, against the aforesaid notice which is pending for decision. The tax advisor of the company is of the opinion that the company has a good arguable case and there is likelihood that the same will be decided in favour of the company.

17.1.2 The company received a notice from Federal Board of Revenue dated March 25, 2025 in which a penalty amounting Rs. 534,000 has been imposed for the tax year 2024 due to non-compliance of Common Reporting Standard of the Income Tax Rules, 2002. The company has submitted detailed reply vide letter dated April 17, 2025. The matter is currently pending before the Deputy Commissioner Inland Revenue, Lahore. The tax advisor of the company is of the opinion that the company has a good arguable case and there is likelihood that the same will be decided in favour of the company.

17.1.3 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.

17.2 Commitments

17.2.1 Commitments in respect of capital expenditures as at June 30, 2025 were amounting Rs. nil (2024: Rs. nil).

17.2.2 Future lease payments in respect of rental office building are as follow:

		2025 Rupees	2024 Rupees
Not later than one year		397,925	361,705
Later than one year and not later than five years		707,351	1,105,276

The aforesaid lease arrangement includes the following significant terms:

- Rent is subject to an increase of 10% at each renewal period.
- The lease term may be mutually extended if both parties agree at the expiry of the lease.

		Note	2025 Rupees	2024 Rupees
18	OPERATING REVENUE			
Brokerage income			34,933,632	22,569,243
Less: Sales tax			(4,818,447)	(3,112,997)
			<u><u>30,115,185</u></u>	<u><u>19,456,246</u></u>

19 DIRECT COSTS

Charges paid to/against:

Pakistan Stock Exchange Limited	957,428	613,762
Central Depository Company of Pakistan Ltd.	11,634	387,841
Commission paid	2,519,645	2,199,235
National Clearing Company of Pakistan Ltd.	782,173	218,556
Eclear Service charges	1,988,705	-
	<u><u>6,259,585</u></u>	<u><u>3,419,394</u></u>

		Note	2025 Rupees	2024 Rupees
20	OPERATING EXPENSES			
Directors' remuneration			11,352,000	9,552,000
Staff salaries and benefits			7,354,597	6,325,756
Rent, rates and taxes	20.1		410,914	368,513
Communication and postage			191,316	192,867
Electricity charges			378,037	360,151
Printing and stationery			30,410	37,780
Repair and maintenance			1,224,379	695,976
Legal and professional charges	20.2		191,000	163,708
Fee and subscription			137,100	290,463
Charity and donation			85,435	104,050
Entertainment			407,124	402,334
Depreciation	4		1,126,277	1,216,850
Miscellaneous			128,496	98,651
Vehicle running and maintenance			404,830	158,819
			23,421,915	19,967,918

20.1 This includes operating lease payments amounting Rs. 361,705.

20.2 Auditor's remuneration

This includes statutory audit fee as detailed below:

	Note	2025 Rupees	2024 Rupees
Amin, Mudassar & Co. Chartered Accountants			
Statutory audit fee		130,000	130,000
		130,000	130,000

21 OTHER OPERATING EXPENSES

Unrealized loss on long term investment	-	3,395,338
Punjab workers' welfare fund	401,717	241,890
	401,717	3,637,228

22 OTHER INCOME

Income from financial assets

Dividend income	965,457	421,405
Interest income	12,911,551	17,005,773
Unrealized gain on long term investments	5,552,604	-
Reversal of provision for doubtful debt	-	530,577
	19,429,612	17,957,756

Income from non financial assets

Account maintenance and custody fee	638,000	496,564
	20,067,612	18,454,320

23 FINANCE COST

Bank charges	3,706	9,315
	3,706	9,315

		2025 Rupees	2024 Rupees
24	LEVIES		
	Final tax	144,819	63,211
		<u>144,819</u>	<u>63,211</u>

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

		2025 Rupees	2024 Rupees
25	TAXATION		
	Income tax:		
	- Current	3,974,282	3,268,616
	- Deferred	<u>274,783</u>	<u>(1,668,839)</u>
		<u>4,249,065</u>	<u>1,599,777</u>

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

		2025 Rupees	2024 Rupees
	Note		
Classified as:			
Income tax	25	3,974,282	3,268,616
Levies	24	<u>144,819</u>	<u>63,211</u>
Deferred tax		<u>4,119,101</u>	<u>3,331,827</u>
		<u>274,783</u>	<u>(1,668,839)</u>
		<u>4,393,884</u>	<u>1,662,988</u>

25.2 Reconciliation between tax expense (including levies) and accounting profit

		2025 Rupees	2024 Rupees
	Note		
Profit before taxation and levies		<u>20,095,874</u>	<u>10,876,711</u>
Tax at applicable rate		5,827,804	3,154,246
Tax effect of income under final tax regime		(1,701,490)	939,723
Tax on income under final tax regime		144,819	63,211
Tax effect of non-deductible expenses		457,773	448,100
Tax effect of deductible expenses		(394,717)	(844,360)
Adjustment of taxable losses		(190,310)	(190,310)
Adjustment of tax credits		(24,776)	(238,783)
Deferred taxation		<u>274,783</u>	<u>(1,668,839)</u>
Levies and Income Tax charged to Profit or Loss Account	25.1	<u>4,393,884</u>	<u>1,662,988</u>

		2025	2024
26	EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year-Rupees		<u>15,701,991</u>	<u>9,213,723</u>
Weighted Average Number of ordinary shares outstanding during the year-Numbers		<u>500,000</u>	<u>500,000</u>
Earnings per share-Rupees		<u>31.40</u>	<u>18.43</u>

27	NUMBER OF EMPLOYEES	2025 (Number)	2024 (Number)
	Total number of employees at the end of year	12	14
	Average number of employees during the year	13	14

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2025					
	Chief Executive	Directors		Executives		
	R	u	p	e	e	s
Managerial remuneration		4,765,000		6,587,000		-
Number of persons		1		2		-

	2024					
	Chief Executive	Directors		Executives		
	R	u	p	e	e	s
Managerial remuneration		3,058,100		6,493,900		-
Number of persons		1		2		-

	2025	2024
	Rupees	Rupees

29 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Fair value through profit or loss

Long term investment	<u>11,164,079</u>	<u>5,611,475</u>
At amortized cost		
Long term deposits	81,000	81,000
Loans and advances	-	1,199,000
Trade deposits and short term prepayment	51,186,485	21,797,906
Cash and bank balances	<u>25,179,931</u>	<u>43,758,896</u>
	<u>76,447,416</u>	<u>66,836,802</u>

Financial liabilities

At amortized cost

Deposits, accrued liabilities and advances	804,757	278,955
Trade and other payables	1,114,976	1,190,020
	1,919,733	1,468,975

30 GENERAL

Figures have been rounded off to the nearest of rupee.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 10 SEP 2012 by the Board of Directors of the Company. 1

CHIEF EXECUTIVE

P. Mohapatra



DIRECTOR

St. J.