

GUL DHAMI SECURITIES (PVT) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Independent Auditor's Report to the Members of Gul Dhami Securities (Pvt.) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Gul Dhami Securities (Pvt.) Limited (the Company)**, which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants (the auditors) who had expressed a unmodified opinion on those financial statements in their report dated October 25, 2022.

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

Management is responsible for the other information. The other information comprises the Directors' Report.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

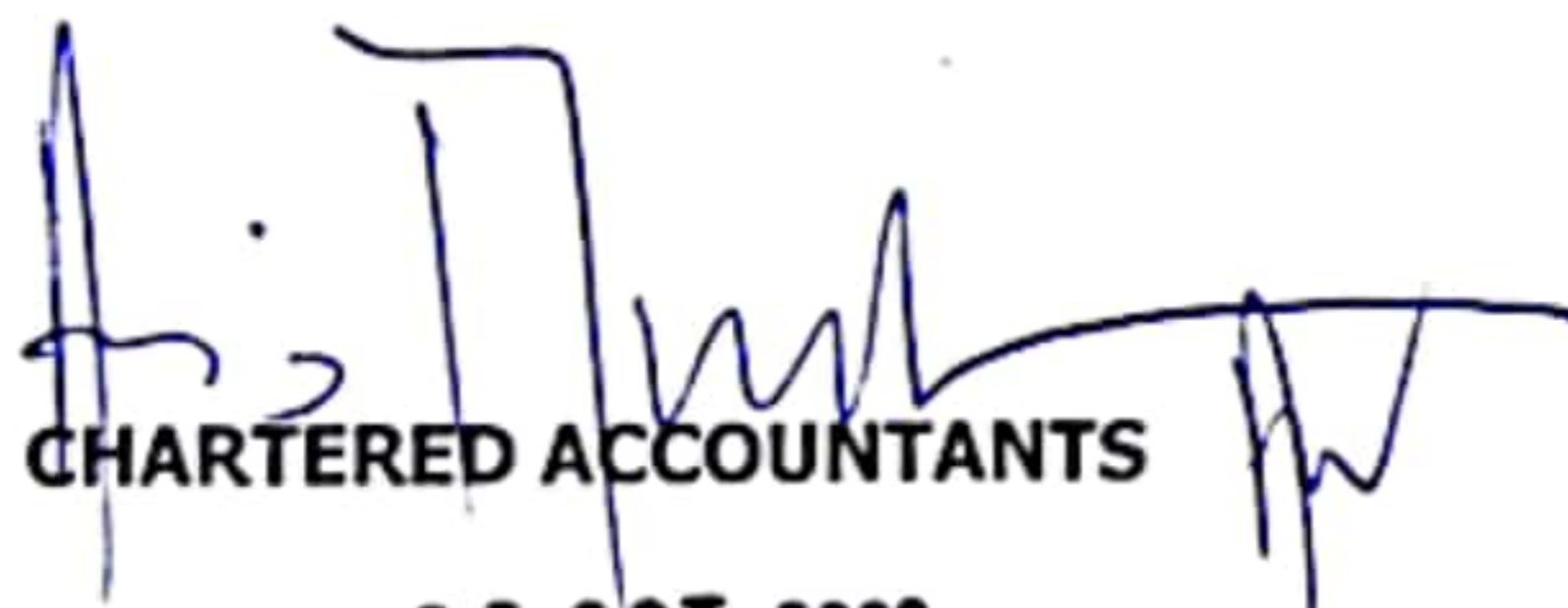
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the company has duly complied with the requirements of Section 78 of the Securities Act, 2015 and Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 and the Futures Brokers (Licensing and Operations) Regulations, 2018 where applicable at the date on which the financial statements were prepared.

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



CHARTERED ACCOUNTANTS

Lahore: 06 OCT 2023

UDIN:AR202310082x9hAozlpm

AMIN, MUDASSAR & CO.

Chartered Accountants

H 8/3 Aziz Avenue Gulberg- V Canal Road,
Lahore Pakistan
Ph #: +92 42 35717261-62 Fax #: +92 42 35717263
E-mail: amclhr1@brain.net.pk

October 05, 2023
37/2023

The Board of Directors,
Gul Dhami Securities (Private) Limited,
First Floor, Room # 105,
19- Khayaban-e-Aiwan-e-Iqbal,
Lahore Stock Exchange Building,
Lahore.

Dear Sirs,

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

We enclose two copies of the financial statements together with our initialed report to the members for the purpose of identification. We shall be pleased to sign our report in the present or amended form after:

- (a) The financial statements have been approved by the Board and signed by the Chief Executive and another designated director.
- (b) We have received management representation letter on the lines of the draft furnished to the Chief Financial Officer; and
- (c) We have seen Board's specific approval for the items given below:

	Rupees
Addition to fixed assets	38,700
Provision for doubtful debts	1,165,291
Loan received from Mr. Gul Abdullah Dhami	600,000

- (d) Minutes of meeting of board of directors wherein these financial statements have been approved; and
- (e) We have received director's report.

We wish to place on record our appreciation for the courtesy and cooperation extended to us by the company's personnel during the course of our audit.

Yours faithfully,


CHARTERED ACCOUNTANTS

GUL DHAMI SECURITIES (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,867,996	2,261,708
Intangible assets	6	21,812,104	21,812,104
Long term investments	7	10,671,898	19,440,000
Long term deposits	8	200,000	697,739
Deferred taxation	9	-	-
		<u>34,551,998</u>	<u>44,211,551</u>
CURRENT ASSETS			
Trade debts	10	-	4,016,947
Loans and advances	11	284,848	400,858
Investment at fair value through profit or loss	12	2,646,000	2,834,000
Trade deposits, short term prepayments and current account balance with statutory authorities	13	3,408,120	-
Cash and bank balances	14	15,924,127	22,212,579
		<u>22,263,095</u>	<u>29,464,384</u>
		<u>56,815,093</u>	<u>73,675,935</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	78,150,000	78,150,000
Accumulated loss		(22,687,670)	(22,899,558)
Fair value adjustment reserve	16	-	9,440,000
		<u>55,462,330</u>	<u>64,690,442</u>
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	17	470,823	869,494
Trade and other payables	18	281,940	8,094,971
Due to related party	19	600,000	-
Provision for taxation		-	21,027
		<u>1,352,763</u>	<u>8,985,492</u>
CONTINGENCIES AND COMMITMENTS			
	20	-	-
		<u>56,815,093</u>	<u>73,675,935</u>

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

CHIEF EXECUTIVE

Gul. I. Dhami



DIRECTOR

Abida Gul

**GUL DHAMI SECURITIES (PVT.) LIMITED
AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Brokerage and commission	21	1,931,491	4,071,544
Direct costs	22	<u>(286,939)</u>	<u>-</u>
		1,644,552	4,071,544
Operating expenses	23	<u>(6,593,211)</u>	<u>(5,719,093)</u>
Other operating expenses	24	<u>(1,415,888)</u>	<u>(1,799,705)</u>
Other income	25	<u>7,053,155</u>	<u>3,970,341</u>
		<u>(955,944)</u>	<u>(3,548,457)</u>
PROFIT FROM OPERATIONS		688,608	523,087
Finance cost	26	<u>(4,478)</u>	<u>(1,740)</u>
PROFIT BEFORE TAXATION		684,130	521,347
Taxation	27	<u>(472,242)</u>	<u>(788,528)</u>
PROFIT/(LOSS) FOR THE YEAR		<u><u>211,888</u></u>	<u><u>(267,181)</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	28	<u><u>0.03</u></u>	<u><u>(0.03)</u></u>

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

CHIEF EXECUTIVE

Gul. D. Dhani



DIRECTOR

Ahida Gul.


**GUL DHAMI SECURITIES (PVT.) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YAER ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Profit/(loss) for the year	211,888	(267,181)
Items that will not be reclassified subsequently to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account		
Effect of reclassification of long term investments Related deferred tax	(9,440,000)	-
Loss on investment categorised as fair value through other comprehensive income	-	(2,654,182)
Other comprehensive loss for the year	(9,440,000)	(2,654,182)
Total comprehensive (loss) for the year	<u>(9,228,112)</u>	<u>(2,921,363)</u>

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

CHIEF EXECUTIVE

Gul. D. Dhawan



DIRECTOR

Abida Gul

GUL DHAMI SECURITIES (PVT.) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YAER ENDED JUNE 30, 2023

	Paid up capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Total
	----- (R u p e e s) -----				
Balance as at June 30, 2021	78,150,000	(22,632,377)	12,094,182	67,611,805	67,611,805
Loss after taxation	-	(267,181)	-	(267,181)	(267,181)
Other comprehensive income	-	-	(2,654,182)	(2,654,182)	(2,654,182)
Total comprehensive loss for the year	-	(267,181)	(2,654,182)	(2,921,363)	(2,921,363)
Balance as at June 30, 2022	78,150,000	(22,899,558)	9,440,000	64,690,442	64,690,442
Profit after taxation	-	211,888	-	211,888	211,888
Other comprehensive income	-	-	(9,440,000)	(9,440,000)	(9,440,000)
Total comprehensive loss for the year	-	211,888	(9,440,000)	(9,228,112)	(9,228,112)
Balance as at June 30, 2023	78,150,000	(22,687,670)	-	55,462,330	55,462,330

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

CHIEF EXECUTIVE

Gul. A. Dhami


DIRECTOR

Abida Gul

GUL DHAMI SECURITIES (PVT.) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YAER ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		684,130	521,347
Adjustments of items not involving movements of cash:			
Depreciation	5	432,412	519,687
Unrealized fair value (gain)/loss		(483,898)	1,766,000
Balances written back		(306,617)	-
Balances written off		97,639	-
(Reversal)/provision for doubtful		1,104,086	(33,705)
		<u>843,623</u>	<u>2,251,982</u>
Operating cash flows before working capital changes		1,527,753	2,773,329
(Increase) / decrease in working capital			
(Increase) / decrease in current assets			
Trade debts		2,815,222	258,204
Loan and advances		116,010	-
Trade deposits and prepayments		-	(1,112,816)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		(398,671)	-
Trade and other payables		(7,506,414)	(17,908,554)
		<u>(4,973,854)</u>	<u>(18,763,166)</u>
Cash generated from / (used in) operations		(3,446,101)	(15,989,837)
Taxes paid		(3,901,390)	(518,330)
Net cash flows from operating activities		<u>(7,347,491)</u>	<u>(16,508,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits		497,739	129,900
Fixed asset purchased		(38,700)	(127,770)
Net cash flows from investing activities		459,039	2,130
Funds received from related party		600,000	-
Purchase of LSE shares		-	(1,560,260)
CASH FLOWS FROM FINANCING ACTIVITIES		600,000	(1,560,260)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(6,288,452)	(18,066,297)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>22,212,579</u>	<u>40,278,875</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	<u>15,924,127</u>	<u>22,212,578</u>
A Cash and Cash Equivalents			
Cash and bank balances	14	<u>15,924,127</u>	<u>22,212,579</u>
		<u>15,924,127</u>	<u>22,212,579</u>

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

CHIEF EXECUTIVE

Gul. A. Dhama
GUL DHAMI SECURITIES (PVT) LTD.
PSX-327
TECH HOLDERS PAKISTAN STOCK EXCHANGE

DIRECTOR

Alamdar Gul

GUL DHAMI SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 COMPANY AND ITS OPERATION

- 1.1 The company was incorporated as Private Limited Company on June 22, 2007 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 registered office of the company is situated at Room No. 105, 1st Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

The company is Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange (PSX) and registered as "Trading Only" with PSX.

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.

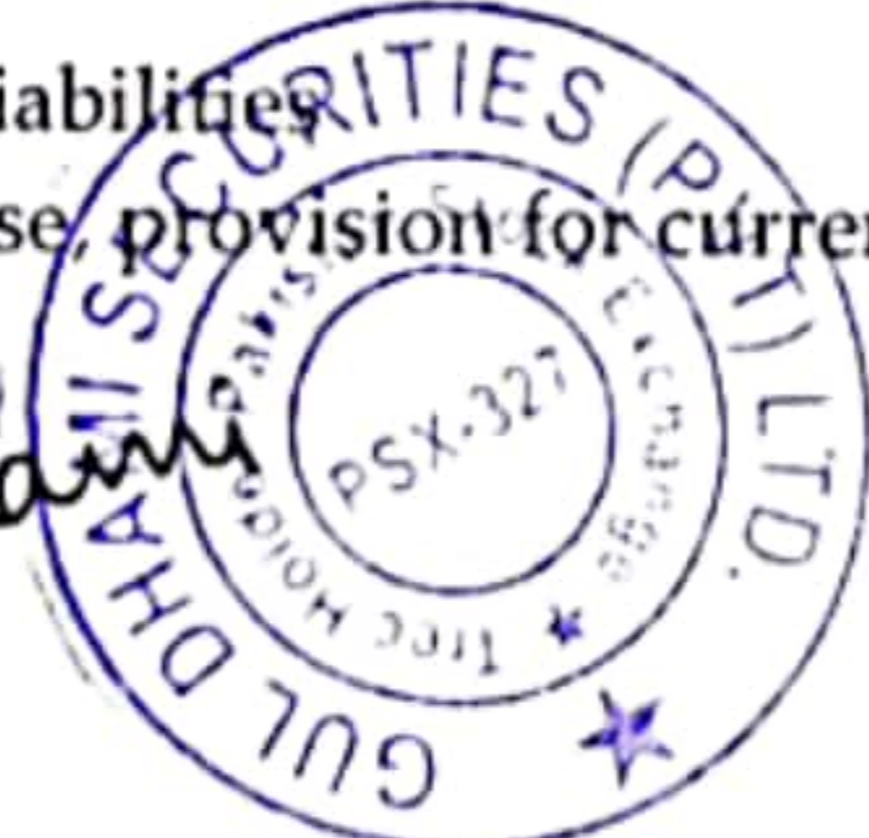
2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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
- 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

Gul. A. Dhani


[Signature]

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

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

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

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

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

3.3 FINANCIAL ASSETS

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

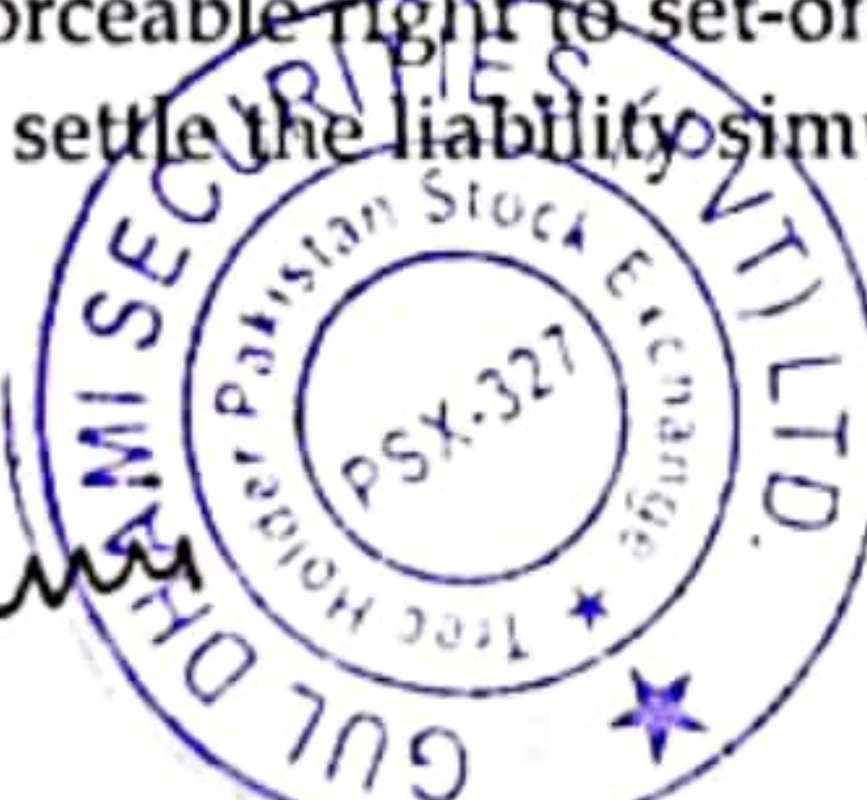
3.4 FINANCIAL LIABILITIES

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

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

Sul. J. Ahany



3.6 TRADE DEBTS AND OTHER RECEIVABLES

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

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

3.7 CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS

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

3.8 CASH AND CASH EQUIVALENTS

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

3.9 BORROWINGS

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

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

3.10 TAXATION

Current

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

Deferred

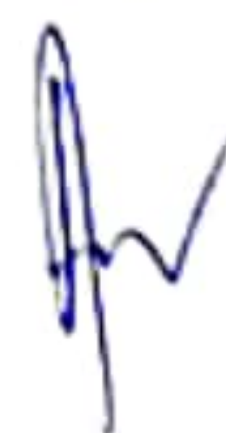
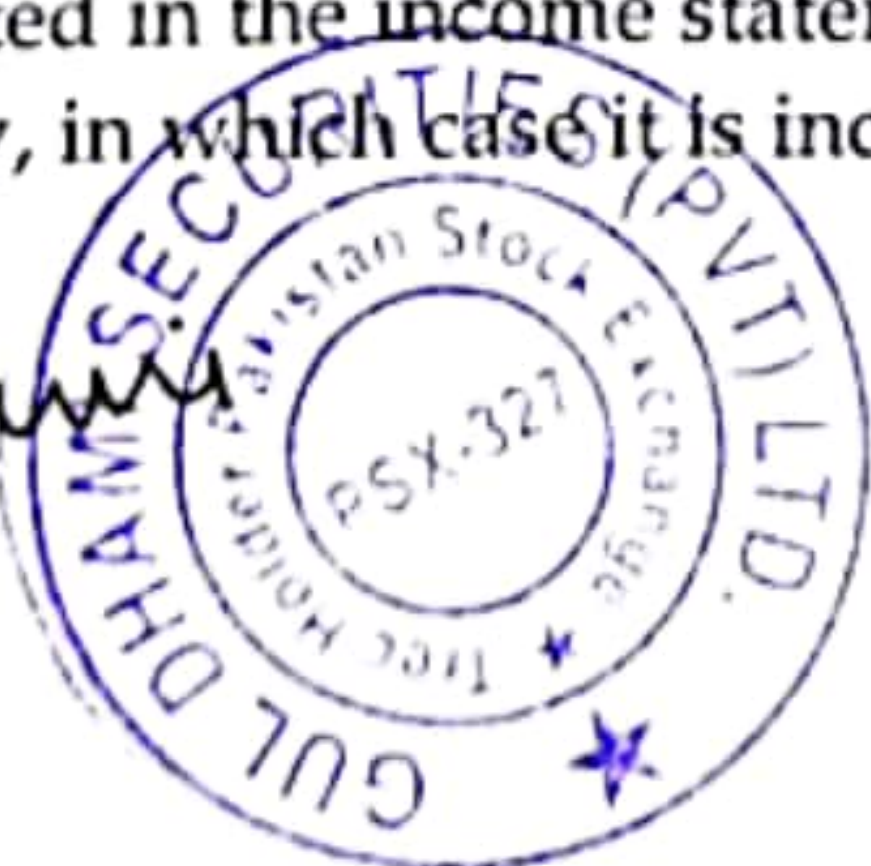
Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

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

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

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

Sul. Z. Wahani



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 exchanges rate ruling at the date of transaction.

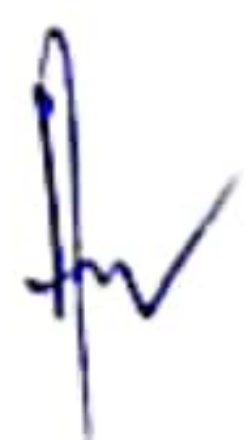

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets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

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.

Sul. A. Khan



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

3.16 REVENUE RECOGNITION

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the 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.

3.17 BASIC AND DILUTED EARNINGS PER SHARE

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


3.18 RELATED PARTY TRANSACTIONS

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

4 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.

Gul. J. Durrani



5 PROPERTY AND EQUIPMENT

Particulars	Cost			Depreciation			W.D.V As at June 30, 2023
	As at June 30, 2022	Additions	As at June 30, 2023	As at June 30, 2022	Charge for the year	As at June 30, 2023	

OWNED

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

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

Furniture and fittings	331,707	-	331,707	10%	245,486	8,622	254,108	77,599
Office equipment	407,318	-	407,318	10%	201,375	20,594	221,969	185,349
Computers	1,080,469	28,700	1,109,169	30%	1,022,080	18,672	1,040,752	68,417
Printer and accessories	3,040	10,000	13,040	30%	1,644	2,572	4,216	8,824
Vehicles	4,275,642	-	4,275,642	20%	2,365,883	381,952	2,747,835	1,527,807
	<u>6,098,176</u>	<u>38,700</u>	<u>6,136,876</u>		<u>3,836,468</u>	<u>432,412</u>	<u>4,268,880</u>	<u>1,867,996</u>

5.1 PROPERTY AND EQUIPMENT

Particulars	Cost			Rate %	Depreciation			W.D.V As at June 30, 2022
	As at June 30, 2021	Additions	As at June 30, 2022		As at June 30, 2021	Charge for the year	As at June 30, 2022	

OWNED

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

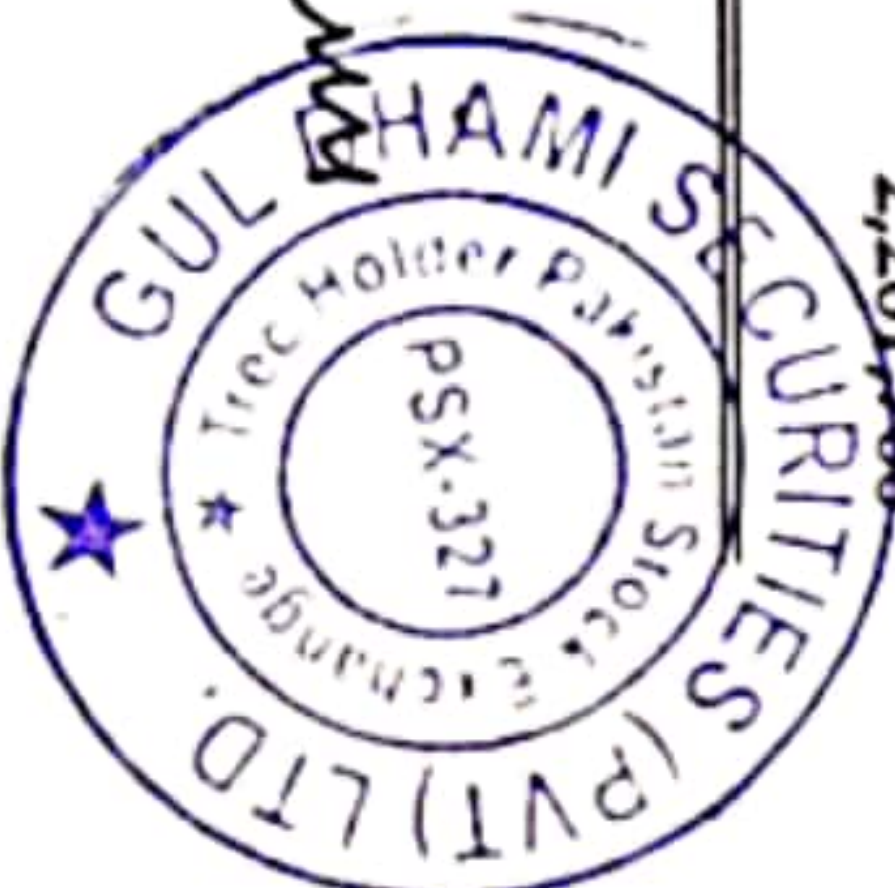
----- R u p e e s -----

Furniture and fittings	331,707	-	331,707	10%	235,906	9,580	245,486	86,221
Office equipment	302,498	104,820	407,318	10%	188,203	13,172	201,375	205,943
Computers	1,057,519	22,950	1,080,469	30%	1,003,184	18,896	1,022,080	58,389
Printer and accessories	3,040	-	3,040	30%	1,045	599	1,644	1,396
Vehicles	4,275,642	-	4,275,642	20%	1,888,443	477,440	2,365,883	1,909,759
	<u>5,970,406</u>	<u>127,770</u>	<u>6,098,176</u>		<u>3,316,781</u>	<u>519,687</u>	<u>3,836,468</u>	<u>2,261,708</u>

5.2 Allocation of Depreciation:

Operating expenses

Note	2023 Rupees	2022 Rupees
23	<u>432,412</u>	<u>519,687</u>



Eul. A. Ahmad

	Note	2023 Rupees	2022 Rupees
6 INTANGIBLE ASSETS			
Rights of room	6.1	19,312,104	19,312,104
Trading right entitlement certificate (TREC)	6.2	2,500,000	2,500,000
		<u>21,812,104</u>	<u>21,812,104</u>

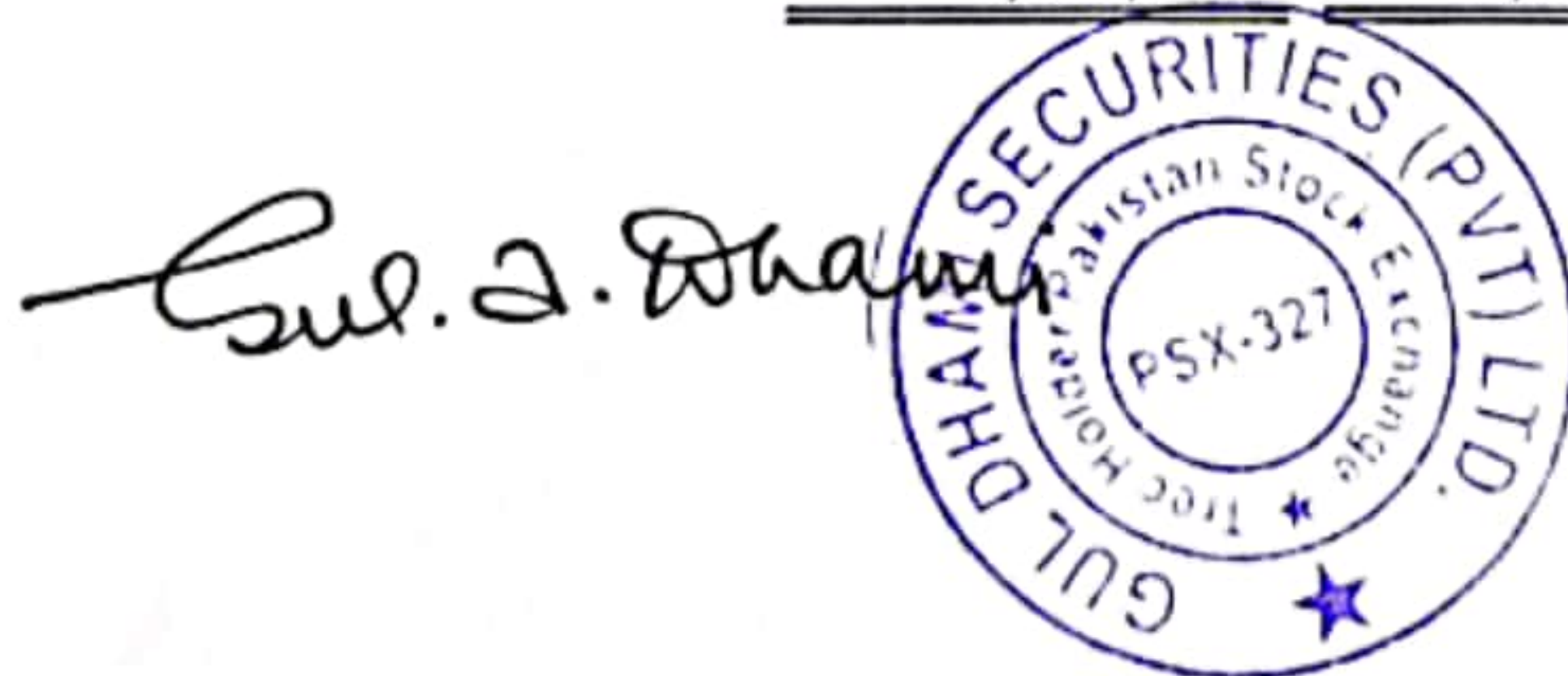
6.1 The rights of one room has not yet been transferred in the name of the company. The company is in the process of finalization of lease deed against the said room with LSE Financial Services Limited.

6.2 It 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	2023 Rupees	2022 Rupees
7 LONG TERM INVESTMENTS			
Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited (Previously un-quoted shares of LSE Financial Services Limited)			
Investment at fair value through other comprehensive income			
Cost as at July 01,		10,000,000	10,000,000
Opening reserve		9,440,000	12,094,182
Reversed during the year due to change in classification		(9,440,000)	
Fair value gain/(loss) recognised during the year		671,898	(2,654,182)
		671,898	9,440,000
		<u>10,671,898</u>	<u>19,440,000</u>

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

	No. of shares	Rupees	Pledged Rupees	Pledged with
LSE Proptech Limited	350,170	1,684,318	1,684,318	Pakistan Stock Exchange
LSE Venture Limited	998,620	8,987,580	8,987,580	Pakistan Stock Exchange
	<u>1,348,790</u>	<u>10,671,898</u>	<u>10,671,898</u>	



	Note	2023 Rupees	2022 Rupees
8 LONG TERM DEPOSITS			
Deposits with:			
National Clearing Company of Pakistan Ltd.		-	400,000
Central Depository Company of Pakistan Ltd.		200,000	200,000
Deposit Against BMC Deposit		-	100
Other security deposits		-	97,639
		<u>200,000</u>	<u>697,739</u>

	Note	2023 Rupees	2022 Rupees
9 DEFERRED TAXATION			
Deferred credits/(debits) arising due to:			
Accelerated tax depreciation		5,365	31,641
Provision for doubtful debts		(337,934)	(17,749)
Unrealized gain on long term investment		83,987	-
Unrealized loss on short term investment		(28,200)	(264,900)
Deferred not recognised		276,782	251,009
		<u>-</u>	<u>-</u>
Balance as at July 01,		-	-
Add: Charge for the year		-	-
		<u>-</u>	<u>-</u>

9.1 At the year end, net deductible temporary differences resulted in a net deferred tax asset of Rs.276,786 (2020: Rs. 755,821). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2022.

	Note	2023 Rupees	2022 Rupees
10 TRADE DEBTS			
Receivable from clients on account of:			
Purchase of shares on behalf of clients		1,165,291	3,190,285
Less: Provision for doubtful debts	10.1	1,165,291	61,205
		-	3,129,080
National Clearing Company of Pakistan Ltd.		-	887,867
		<u>-</u>	<u>4,016,947</u>

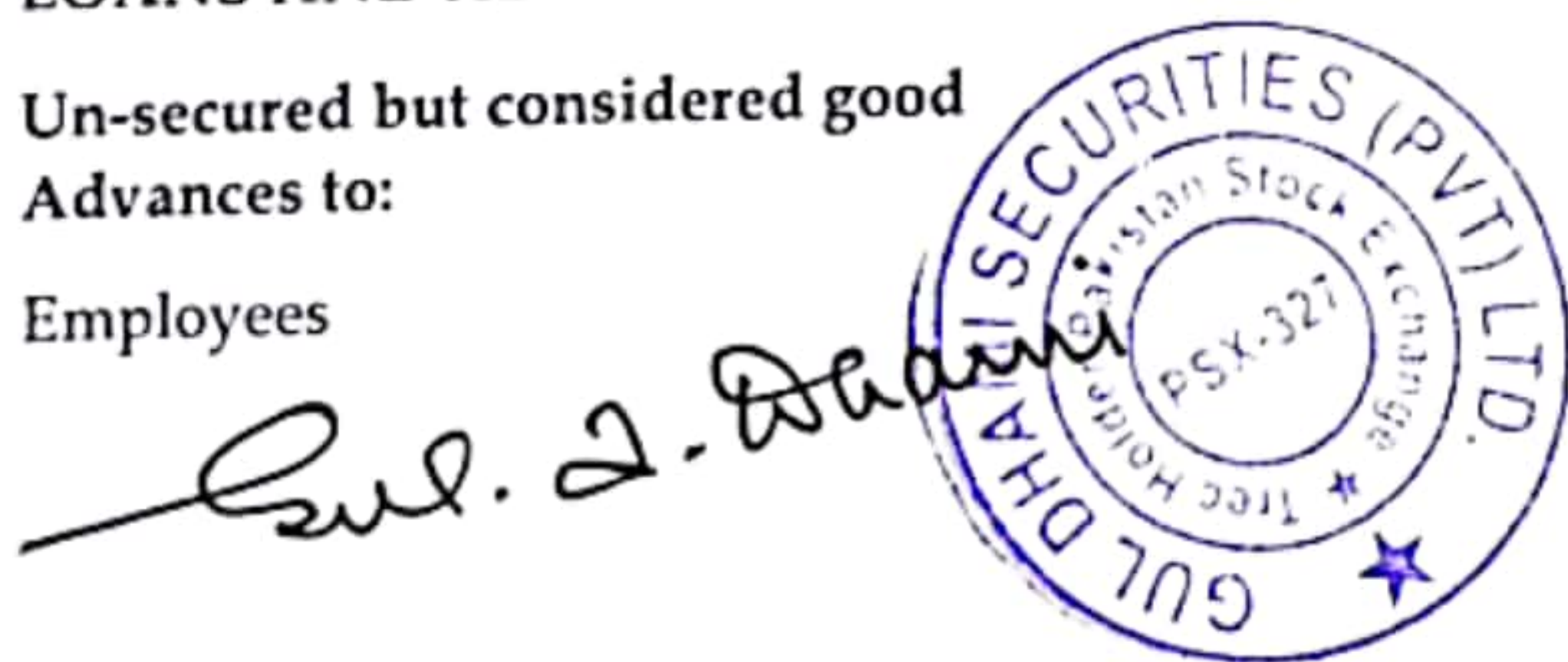
10.1 Movement is as follows			
Opening balance		61,205	27,500
Provision made during the year		1,104,086	33,705
		<u>1,165,291</u>	<u>61,205</u>

11 LOANS AND ADVANCES

Un-secured but considered good
Advances to:

Employees

	<u>284,848</u>	<u>400,858</u>
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	Note	2023 Rupees	2022 Rupees
12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Carrying value as on July 01,	12.1	2,834,000	4,600,000
Loss on remeasurement of investment at fair value		(188,000)	(1,766,000)
		<u>2,646,000</u>	<u>2,834,000</u>

12.1 This includes shares having carrying value of Rs. 2,646,000 (June 2022: Rs 2,834,000) pledged with National Clearing Company of Pakistan Limited.

	Note	2023 Rupees	2022 Rupees
13 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES			
Deposits with:			
Eclear Services Limited		3,020,647	
Tax deducted at source		<u>3,408,120</u>	<u>-</u>

		2023 Rupees	2022 Rupees
14 CASH AND BANK BALANCES			
These were held as under:			
Cash in hand		-	-
Cash at bank:			
in current accounts			
Pertaining to brokerage house		416,766	86,774
Pertaining to clients		15,507,361	22,125,805
		<u>15,924,127</u>	<u>22,212,579</u>
		<u>15,924,127</u>	<u>22,212,579</u>

15 SHARE CAPITAL			
Authorized			
10,000,000 (2022: 10,000,000) ordinary shares of Rs.10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up			
7,815,000 (2022: 7,815,000) ordinary shares of Rs.10 each fully paid in cash	15.1	<u>78,150,000</u>	<u>78,150,000</u>

15.1 Pattern of Shareholding:	% age of Shares Held		Number of Shares Held	
	2023	2022	2023	2022
Categories of shareholders				
Individual - Chief Executive Officer				
Mr. Gul Abdullah Dhani	99.86%	99.86%	7,804,000	7,804,000
Individual - Director				
Ms. Abida Gul	0.13%	0.13%	10,000	10,000
Mr. Omair Abdullah Dhani	0.01%	0.01%	500	500
Mr. Asad Abdullah Dhani	0.01%	0.01%	500	500
	<u>100%</u>	<u>100%</u>	<u>7,815,000</u>	<u>7,815,000</u>

15.2 There is no variation in voting rights of shareholders.

16 FAIR VALUE ADJUSTMENT RESERVE - 9,440,000

This represents accumulated gain on available for sale investment which has been reclassified to statement of profit or loss upon reclassification of related investment.

Gul. J. Dhani

		2023 Rupees	2022 Rupees
17	DEPOSITS, ACCRUED LIABILITIES AND ADVANCES		
	Accrued expenses	470,823	869,494
18	TRADE AND OTHER PAYABLES		
	Creditors for sale of shares on behalf of clients	255,777	8,053,007
	Punjab worker's welfare fund payable	26,163	41,964
		281,940	8,094,971
18.1	The total value of securities pertaining to clients is nil held in sub-accounts of the company. No security is pledged by any client to the financial institutions.		
19	Due to related party		
	This represents loan from Mr. Gul Abdullah Dhami-Chief Executive/Director having 99.86% shareholding for working capital requirements and utilized for same purpose and it is interest free and payable on the demand of lender.		
		2023 Rupees	2022 Rupees
	Name of related party		
	Basis of relationship		
	Mr. Gul Abdullah Dhami	Chief Executive/Director	600,000
			-
20	CONTINGENCIES AND COMMITMENTS		
20.1	Contingencies and commitments as at reporting date were Rs. Nil (2022: Rs. Nil).		
20.2	The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 9,500,568 to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.		
21	BROKERAGE AND COMMISSION		
	Retail customers	2,240,543	4,500,182
	Less: Sales tax	(309,052)	(428,638)
		1,931,491	4,071,544
22	DIRECT COSTS		
	Charges paid to:		
	E Clear Services Limited	6,293	
	Central Depository Company of Pakistan Ltd.	256,233	-
	National Clearing Company of Pakistan Ltd.	24,413	-
		286,939	-
23	OPERATING EXPENSES		
	Directors' remuneration	2,400,000	2,557,000
	Staff salaries and benefits	1,400,000	1,028,600
	Communication and postage	107,976	101,666
	Electricity charges	626,686	509,489
	Printing and stationery	30,655	8,185
	Repair and maintenance	460,838	401,420
	Legal and professional charges	195,200	384,747
	Fee and subscription	227,957	151,160
	Entertainment	311,124	47,555
	Depreciation	432,412	519,687
	Travelling and conveyance	108,420	5,404
	Others	291,943	4,180
		6,593,211	5,719,093

Gul. A. Dhami



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23.1 Auditor's remuneration

This includes statutory audit fee and other certification charges as detailed below :

	Note	2023 Rupees	2022 Rupees
Amin, Mudassar & Co. Chartered Accountants Statutory audit fee		141,750	-
IECnet S.K.S.S.S. & Co. Chartered Accountants Statutory audit fee		-	100,000
24 OTHER OPERATING EXPENSES	Note	2023 Rupees	2022 Rupees
Loss on remeasurement of investment at fair value through profit or loss		188,000	1,766,000
Provision for doubtful debts		1,104,086	33,705
Balances written off		97,639	-
Punjab workers' welfare fund		26,163	-
		<u>1,415,888</u>	<u>1,799,705</u>
25 OTHER INCOME			
Income from financial assets			
Dividend income		500,000	-
Un-realized gain on remeasurement of long term investment at fair value through profit or loss		671,898	-
Interest income		5,159,697	1,818,713
Income from assets other than financial assets			
Balance written back		306,617	-
Other income		414,943	2,151,628
		<u>7,053,155</u>	<u>3,970,341</u>
		2023	2022
	Note	Rupees	Rupees
26 FINANCE COST			
Bank charges		4,478	1,740
27 TAXATION			
Income tax:			
- Current		454,823	555,778
- Prior		17,419	-
- Deferred	9	-	-
		<u>472,242</u>	<u>555,778</u>
27.1 Reconciliation between tax expense and accounting profit			
Profit before tax		684,130	-
Tax of profit before tax @ 29%		198,398	-
Tax effect of income under final tax regime		(88,082)	-
Tax effect on inadmissible expense		445,173	-
Tax effect on admissible expense		(100,665)	-
Prior year income tax		17,419	-
		<u>472,243</u>	<u>-</u>

Sul. J. Wahid

- 27.2 Income tax assessment of the Company have been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any notice in this respect.
- 27.3 No numeric tax rate reconciliation had been presented in respect of prior year in these financial statements as the company was either liable to pay tax under minimum tax regime or final tax regime under the Income Tax Ordinance, 2001.

28 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
Profit/(loss) for the year-Rupees	<u>211,888</u>	<u>(267,181)</u>
Weighted Average Number of ordinary shares outstanding during the year-Numbers	<u>7,815,000</u>	<u>7,815,000</u>
Earnings per share-Rupees	<u>0.03</u>	<u>(0.03)</u>

29 NUMBER OF EMPLOYEES

	2023 (n u m b e r)	2022
Total number of employees at the end of year	<u>3</u>	<u>2</u>
Average number of employees during the year	<u>3</u>	<u>2</u>

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the Chief Executives, Directors and Executives of the company is as follows:


	2023		
	Chief Executive	Director	Executives
	----- R u p e e s -----		
Managerial remuneration	<u>600,000</u>	<u>1,800,000</u>	<u>-</u>
Number of persons	<u>1</u>	<u>3</u>	<u>-</u>

	2022		
	Chief Executive	Director	Executives
	----- R u p e e s -----		
Managerial remuneration	<u>705,000</u>	<u>1,852,000</u>	<u>-</u>
Number of persons	<u>1</u>	<u>3</u>	<u>-</u>

31 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities	2023 Rupees	2022 Rupees
Financial assets		
Available for sale		
Long term investment	<u>-</u>	<u>19,440,000</u>

Sul. A. Wahid



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	2023 Rupees	2022 Rupees
At fair value through profit or loss		
Long term investment	10,671,898	-
Investment in listed securities	2,646,000	2,834,000
	<u>13,317,898</u>	<u>2,834,000</u>
Loans and receivables		
Long term deposits	200,000	697,739
Trade debts	0	4,016,947
Loans and advances	284,848	400,858
Cash and bank balances	15,924,127	22,212,579
	<u>16,408,975</u>	<u>27,328,123</u>
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	470,823	869,494
Trade and other payables	281,940	8,094,971
	<u>752,763</u>	<u>8,964,465</u>

32 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. There was no major reclassification to report except the following:

Reclassification from Statement of Profit or Loss	Reclassification to Statement of Profit or Loss	Rupees 2022
Operating expenses	Other operating expenses	
Loss on remeasurement of investment at fair value through profit or loss	Loss on remeasurement of investment at fair value through profit or loss	1,766,000
		33,705

33 GENERAL

Figures have been rounded off to the nearest of rupee.

34 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 06 OCT 2023 by the Board of Directors of the Company.

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CHIEF EXECUTIVE



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DIRECTOR

CERTIFICATE OF CAPITAL ADEQUACY LEVEL

We, being the statutory auditor of M/s. Gul Dhami Securities (Pvt.) Limited, certify that the following information is correct and authenticated by us after due diligence from our side as at June 30, 2023.

	Note	<u>RUPEES</u>
Total Assets	1	56,815,093
Less: Total Liabilities		1,352,763
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		<u>55,462,330</u>

Note:

1. While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by such Participant as at year ended June 30, 2023 as determined by Pakistan Stock Exchange has been considered.
2. Certificate of Capital Adequacy Level is an integral part of the financial statements for the year ended June 30, 2023.



CHARTERED ACCOUNTANTS

Dated: **06 OCT 2023**