

## INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF LIQUID CAPITAL BALANCE

To the Chief Executive Officer of Nael Capital (Private) Limited

### Opinion

We have audited the statement of Liquid Capital Balance of **Nael Capital (Private) Limited** as at December 31, 2023.

In our opinion the financial information in the statement of the Securities Broker as at December 31, 2023 is prepared, in all material respects, in accordance with the requirements of the rule 6(4) of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP).

### 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 statement section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Restriction on Distribution

The statement is prepared to assist the **Nael Capital (Private) Limited** to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for **Nael Capital (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Nael Capital (Private) Limited**, or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and operations) Regulations, 2016 (the regulations) issued by the Securities & Exchange Commission of Pakistan (SECP), and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

### **Auditor's Responsibilities for the Audit of the statement**

Our objectives are to obtain reasonable assurance about whether the statement is 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 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 this statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**

Karachi

Dated: February 29, 2024

UHY Hassan Naeem & Co.  
Chartered Accountant



**NAEL CAPITAL (PRIVATE) LIMITED**  
**STATEMENT OF LIQUID CAPITAL BALANCE**  
**AS ON DECEMBER 31, 2023**

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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**Assets**

1.1	Property and equipment	1,107,172	1,107,172	-
1.2	Intangible Assets	3,600,000	3,600,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	1,101	55	1,046
1.5	Investment in Equity Securities (listed)	40,804,746	24,220,035	16,584,711
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits	2,210,000	2,210,000	-
1.9	Margin deposits with exchange and clearing house.	5,900,000	-	5,900,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,000	2,000	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	<b>Advances and receivables other than trade</b>			
	(i) Loan to staff	163,795	163,795	-
	(ii) Advance tax	8,138,895	8,138,895	-
	(iii) Other cases	-	-	-
1.16	Receivables from clearing house or securities exchange(s)	1,173,693	-	1,173,693
1.17	<b>Receivables from customers</b>			
	i. Trade receivables not more than 5 days overdue	5,005,426	-	5,005,426
	ii. Trade receivables are overdue, or 5 days or more	5,041,654	3,210,561	1,831,093
	iii. Trade receivables from related parties.	429,680	-	429,680
1.18	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	7,177,881	-	7,177,881
	ii. Bank balance-customer accounts	22,306,511	-	22,306,511
	iii. Cash in hand	48,876	-	48,876
1.19	Subscription money against investment in IPO/ offer for sale (asset)			

<b>Total Assets</b>	<b>103,111,430</b>		<b>60,458,917</b>
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<b>Liabilities</b>				
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2.1	Trade Payables			
	i. Payable to customers	20,419,278	-	20,419,278
2.2	Current Liabilities			
	i. Accruals and other payables	1,165,640	-	1,165,640
	ii. Short-term borrowings	-	-	-
2.3	Non-Current Liabilities			
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-

<b>Total Liabilities</b>		21,584,918		21,584,918
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<b>Ranking Liabilities Relating to :</b>				
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3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	1,869,345	1,869,345
3.9	Opening Positions in futures and options	-	-	-
3.10	Short selll positions	-	-	-

<b>Total Ranking Liabilites</b>		-	-	1,869,345
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<b>Grand Total</b>		81,526,512	-	37,004,655
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**Chief Executive Officer**

**Director**