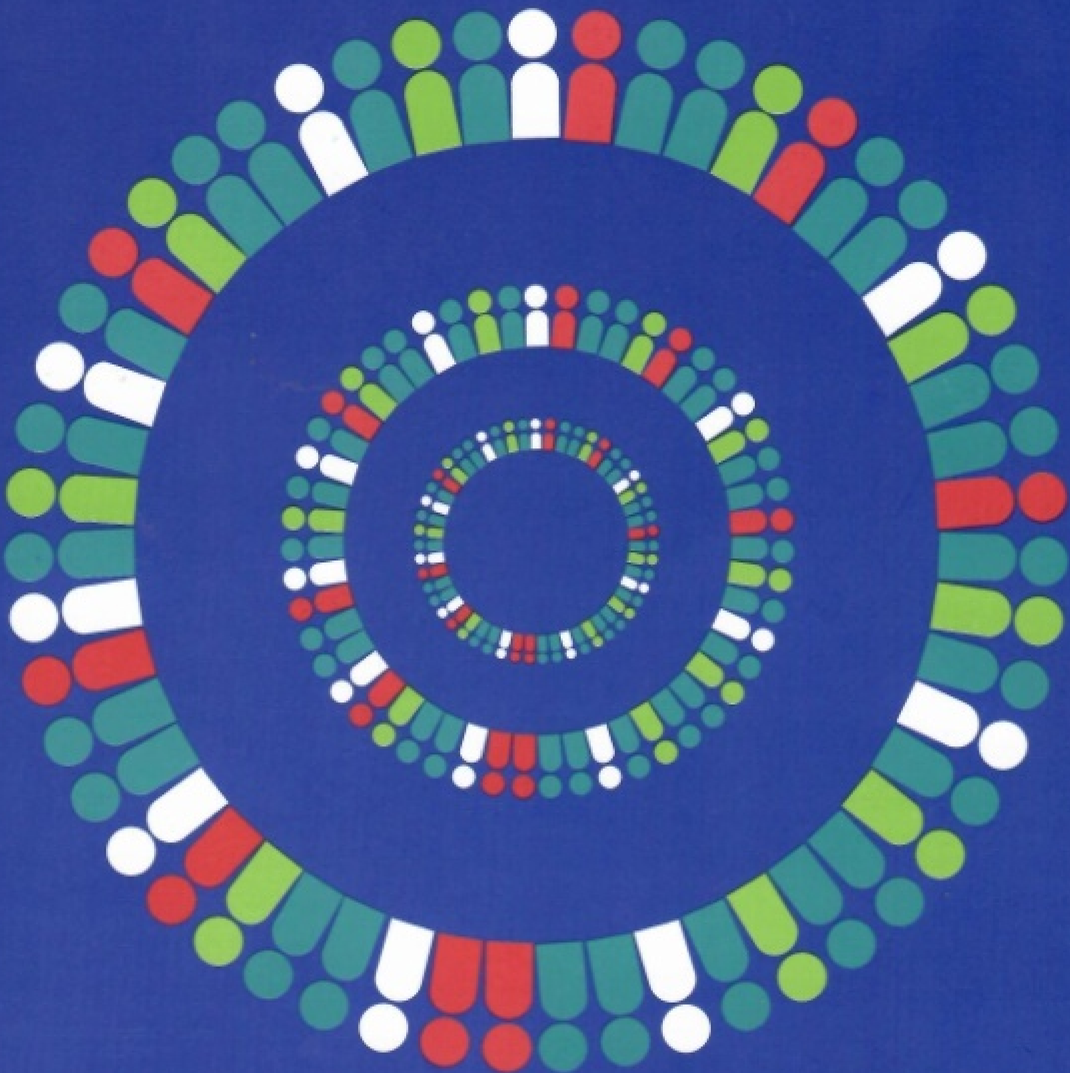
UHY Hassan Naeem & Co.
Chartered Accountants

Nael Capital (Private) Limited
Financial Statements
For the year ended
June 30, 2022



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Nael Capital (Private) Limited
Financial Statements
For the year ended
June 30, 2022

UHY Hassan Naeem & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of NAEL CAPITAL (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **NAEL CAPITAL (PRIVATE) LIMITED** ("the Company"), which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow 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, statement of profit or loss, the statement of changes in equity and statement of cash flow 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, 2022 and of the loss for the year then ended, the changes in equity and its cash flows for the period 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 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.

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 requirement of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enables 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 operation, 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 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 period were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

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

UHY Hassan Naeem & Co

KARACHI
DATE: October 11, 2022
UDIN: AR2022102154ciO5Nrls

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	**603,969**	1,271,437
Intangible assets	5	**3,600,000**	3,600,000
Investment-at Fair value through other comprehensive income	6	**11,060,613**	24,121,439
Long term deposits	7	**1,302,000**	1,302,000
		16,566,582	30,294,876
CURRENT ASSETS			
Trade debts	8	**3,308,126**	3,366,703
Investment at fair value through profit and loss	9	**19,006,912**	30,190,860
Advances, deposits, prepayments and other receivables	10	**41,694,383**	47,420,438
Cash and bank balances	11	**12,901,940**	44,344,008
		76,911,361	125,322,009
		93,477,943	155,616,886
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital		**300,000,000**	300,000,000
Issued, subscribed and paid-up capital	12	**70,434,993**	70,434,993
Share premium		**51,000,000**	51,000,000
Accumulated Profit/(Loss)		**(27,093,514)**	(5,001,746)
Surplus/(Deficit) - Investment at Fair value through OCI		**(10,568,503)**	2,492,321
		83,772,976	118,925,568
CURRENT LIABILITIES			
Trade and other payable	13	**9,704,967**	36,691,318
Contingencies and commitments	14	**-**	-
		93,477,943	155,616,886

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

Chief Executive

Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Revenue from contract with customers	15	12,367,993	28,545,589
Operating and administrative expenses	16	(22,755,159)	(24,276,633)
Operating Income/(loss)		(10,387,166)	4,268,955
Other income	17	(10,522,975)	11,762,669
NET PROFIT/ (LOSS) BEFORE TAXATION		(20,910,141)	16,031,624
Taxation	18	(1,181,627)	(3,305,836)
NET PROFIT/ (LOSS) AFTER TAXATION		(22,091,768)	12,725,788

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

Chief Executive

Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 *(Rupees)*	2021 *(Rupees)*
Profit/(loss) for the year	**(22,091,768)**	12,725,789
Other Comprehensive Income/ Loss		
Unrealised gain/ (loss) on revaluation of investments at fair vlaue thorugh - other comprehensive income	**(13,060,824)**	13,417,618
TOTAL COMPREHENSIVE INCOME/ (LOSS)	(35,152,592)	26,143,407

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

Chief Executive

Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, Subscribed and Paid-up Capital	Share Premium	Accumulated Profit/(Loss)	Surplus/(Deficit) - Investment (FVTOCI)	Total
	----------------------	----------------------	Rupees	----------------------	----------------------
Balance as at July 01, 2020	70,434,993	51,000,000	(17,727,535)	(10,925,297)	92,782,161
Net (loss) for the year			12,725,789		12,725,789
Surplus/(Deficit) - Investment at Fair value through OCI	-	-	-	13,417,618	13,417,618
Balance as at June 30, 2021	**70,434,993**	**51,000,000**	**(5,001,746)**	**2,492,321**	**118,925,568**
Net Profit for the year	-	-	(22,091,768)	-	(22,091,768)
Surplus/(Deficit) - Investment at Fair value through OCI	-	-	-	(13,060,824)	(13,060,824)
Balance as at June 30, 2022	**70,434,993**	**51,000,000**	**(27,093,514)**	**(10,568,503)**	**83,772,976**

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

Chief Executive

Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 (Rupees)	2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**(20,910,141)**	16,031,624
Adjustment for non-cash items		
Depreciation	**744,068**	65,307
Unrealized/ Realized Gain/(Loss) on Investment at FVTPnL	**13,507,940**	(12,534,548)
Dividend income	**(1,577,088)**	(294,758)
Gain /(Loss) on disposal of fixed assets	**-**	2,051,275
Operating profit before working capital changes	**12,674,920**	(10,712,724)
Changes in working capital		
Decrease / (increase) in trade debts	**58,577**	82,335
Decrease / (increase) in advances, deposits and prepayments	**5,820,740**	(7,573,740)
(Decrease) / increase in trade and other payable	**(26,986,351)**	19,361,381
	(21,107,034)	11,869,976
Taxes paid	**(1,276,312)**	(1,493,010)
Net cash (used in)/generated from operating activities	**(30,618,567)**	15,695,866
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**(76,600)**	(211,715)
Proceeds from sale of property and equipment	**-**	298,725
Acquisition/Disposal of investments - net of sales	**(2,323,989)**	3,300,851
Dividend received	**1,577,088**	294,758
Net cash (used in)/generated from investing activities	**(823,501)**	3,682,619
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in)/generated from financing activities	**-**	-
Net increase in cash and cash equivalent	**(31,442,068)**	19,378,485
Cash and cash equivalent at beginning of the year	**44,344,008**	24,965,524
Cash and cash equivalent at end of the year	**12,901,940**	44,344,009

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

Chief Executive

Director

NAEL CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 Legal Status and Nature of Business

Nael Capital (Private) Limited was incorporated under the Companies Ordinance, 1984 is a private limited company. The Company is a corporate member of the Pakistan Stock Exchange Limited. The registered office of the Company is located at 601, 6th floor Business Finance Centre, I.I. Chundrigar Road. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2017. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and have been rounded off to the nearest rupee.

2.4 Use of Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.
The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Taxation (note 18)

2.5 New Accounting pronouncements

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Description effective for periods		Effective for periods beginning on or after
IAS 1	Amendments to 'IAS 1 and IFRS Practice Statement 2' Disclosure of Accounting Policies Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-current	January 01, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2023
IAS 12	Income Taxes (Amendments)	January 01, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
IFRS 3	Business Combinations (Amendments)	January 01, 2022
IAS 41, IFRS (1, 9 and 16)	Annual improvements to IFRS Standards 2018 - 2020 (Amendments)	

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

3 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Taxation

Income tax expense comprises of current, deferred and prior year tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity

Current

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking in to account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using Straight Line method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.3 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Trading Right Entitlement Certificate(TREC)

This is stated at cost less impairment if any, the carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and when the carrying amount exceeds its estimated recoverable amount, is it written down to its estimated recoverable amount.

Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.4 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measure at cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade debts and other receivables considered irrecoverable are written off.

3.5 Provisions

A provision is recognized **in** the financial statements when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

3.6 Trade and Other Payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.7 Revenue recognition

Brokerage Commission, advisory income are recognized as and when services are rendered.

Dividend income is recognized when the right to receive the dividend is established.

Income on continuous funding system transactions, bank deposits and exposure deposit is recognized on a time proportionate basis that takes in to account the effective yield.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 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 obligation cannot be measured with sufficient liability.

3.10 Financial Instruments

3.10.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) Financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly

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attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

(i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount.

(ii) It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Subsequent measurement

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest /markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never classified to the profit and loss account.
Financial asset at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

Financial Assets and financial liabilities are offset and the net amount is reported in the financial statements only when the company has a legally enforceable right to offset and the company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statement only when permitted by the accounting and reporting standards as applicable in Pakistan.

Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to thee respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 month ECLs:

- debt securities that are determined to have low credit risk at reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based in the company's historical experience and informed credit assessment and including forward- looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

Non- financial assets

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The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

4. PROPERTY AND EQUIPMENT

	New Building	Office Equipment	Furniture and fixtures	Computers	Motor Vehicle	Total
Cost	-	2,763,587	203,292	3,067,269	1,836,366	7,870,514
Accumulated depreciation and impairment	-	(2,462,401)	(194,603)	(2,959,227)	(982,846)	(6,599,077)
Carrying amount at July 1, 2021	-	**301,186**	**8,689**	**108,042**	**853,520**	**1,271,437**
Additions	-	30,000	-	46,600	-	76,600
Disposals - cost	-	-	-	-	-	-
Depreciation charge for the year	-	(279,359)	(8,689)	(123,420)	(332,600)	(744,068)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Carrying amount at June 30, 2022	-	51,827	-	31,222	520,920	603,969

The carrying amount as at June 30, 2022 is aggregate of:

	New Building	Office Equipment	Furniture and fixtures	Computers	Motor Vehicle	Total
Cost	-	2,793,587	203,292	3,113,869	1,836,366	7,947,114
Accumulated depreciation and impairment		(2,741,760)	(203,292)	(3,082,647)	(1,315,446)	(7,343,145)
	-	**51,827**	-	**31,222**	**520,920**	**603,969**
Rate of depreciation per annum (%)		10%	10%	33%	20%	

5. INTANGIBLES

	Booth at PSX	TREC*	Total
Cost	1,100,000	2,500,000	3,600,000
Accumulated depreciation and impairment	-	-	-
Carrying amount at July 1, 2021	1,100,000	2,500,000	3,600,000
Additions	-	-	-
Disposals - cost	-	-	-
Amotization charge for the year	-	-	-
Disposals - Accumulated depreciation	-	-	-
Carrying amount at June 30, 2022	**1,100,000**	**2,500,000**	**3,600,000**

The carrying amount as at June 30, 2022 is aggregate of:

Cost	**1,100,000**	**5,000,000**	**6,100,000**
Accumulated amotization and impairment	-	**(2,500,000)**	**(2,500,000)**
	1,100,000	**2,500,000**	**3,600,000**

5.1.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed.

		2022	2021
		(Rupees)	*(Rupees)*

6. INVESTMENT - AT FAIR VALUE THROUGH OCI

Investment in shares of Pakistan Stock Exchange		**11,060,615**	24,121,439

6.1 This represents 1,081,194 (2021: 1,081,194) shares of Pakistan Stock Exchange Limited. These shares are pledge with PSX against Base minimum capital requirement.

7. LONG-TERM DEPOSITS

Deposit in Central Depository Company		**100,000**	100,000
Others		**2,000**	2,000
NCCPL Deposit		**1,200,000**	1,200,000
		1,302,000	1,302,000

8. TRADE DEBTS

Trade debts	8.1	**3,808,126**	3,866,703
less: Loss allowance	8.2	**(500,000)**	(500,000)
		3,308,126	3,366,703

8.1 Aging Analysis

Less than one year		2,454,363	3,866,703
More than one year		1,353,763	-
		3,808,126	3,866,703

8.2 Loss Allowance

Opening		**500,000**	500,000
Provision recorded during the year		**71,660**	106,594
Less: Write off during the year		**(71,660)**	(106,594)
		500,000	500,000

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

Investment in quoted securities	9.1	**16,958,989**	28,300,608
Investment in Mutual funds	9.2	**2,047,923**	1,890,252
		19,006,912	30,190,860

9.1. Investment in various equity shares carried at market value. This includes investment pledge with PSX amounting to Rs 11,294,548 against Base Minimum Capital.

9.2 Investment in MCB- Al hamra Mutual fund.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 (Rupees)	2021 (Rupees)
Deposit in Nccpl - Ready Market	**16,750,000**	21,200,000
Deposit in Nccpl - Future Market	**6,500,000**	17,936,207
Tax refundable	**7,373,136**	7,278,451
BMC Deposit	**910,000**	910,000
Advance to staff	**80,504**	95,780
Advance against purchase of office	**10,000,000**	-
Others	**80,743**	-
	41,694,383	47,420,438

11. CASH AND BANK BALANCES

	Note	2022	2021
Cash in hand		**116,685**	16,555
Cash at bank - Current	11.1	**12,785,255**	44,327,453
- Saving		**-**	-
		12,901,940	44,344,008

11.1 This includes bank balances pertaining to client amounting to Rs. 8,657,195.

12. SHARE CAPITAL

12.1 Authorized Share Capital

2022 Number of Shares	2021 Number of Shares		2022	2021
30,000,000	30,000,000	ordinary shares of Rs. 10 each	**300,000,000**	300,000,000

12.2 Issued, Subscribed and Paid-up Capital

2022 Number of Shares	2021 Number of Shares		2022	2021
7,043,499	7,043,499	ordinary shares of Rs. 10 each fully paid in cash	**70,434,993**	70,434,993

12.3 PATTERN OF SHAREHOLDING

Shareholders	No. of Shares	Holding %	
Mr. Ashraf Bava (Director)	5,621,020	**79.80%**	79.80%
Mr. Irshad ul Haq (Director)	5,000	**0.07%**	0.07%
Mr. Nasir Muqeet (Director)	172,302	**2.45%**	2.45%
Mr. Muhammad Shakeel	1,245,177	**17.68%**	17.68%
	7,043,499	**100.00%**	100.00%

13. TRADE AND OTHER PAYABLE

	Note	2022	2021
Credit balances of clients	13.1.	**8,657,195**	35,012,311
Sales tax payable		**370,042**	-
Other Payable		**450,030**	1,194,104
Audit Fee Payable		**227,700**	250,000
Accrued Expenses		**-**	234,903
		9,704,967	36,691,318

		2022 (Rupees)	2021 (Rupees)
13.1 Credit balances of clients held by the company		8,657,195	35,012,311
13.2 Number of Securities of client held by the company		22,660,770	45,635,675

13.3 No Securities of clients is pledged with Financial Institution.

13.4 No Securities of the company is pledged with Financial Institution.

14. CONTINGENCIES AND COMMITMENTS

		2022	2021
		-	-

14.1. There were no contingencies and commitments as at June 30, 2022.

15. REVENUE FROM CONTRACT WITH CUSTOMERS

		2022	2021
Brokerage income	15.1	12,367,993	28,545,589

15.1

		2022	2021
Brokerage Income- gross		14,216,084	32,811,021
Sales tax		(1,848,091)	(4,265,433)
		12,367,993	28,545,589

16. OPERATING AND OTHER EXPENSES

		2022	2021
Salaries, allowances and other benefits		15,859,465	16,548,787
Communication		228,587	299,591
Printing & Stationary		71,540	64,330
Utilities		457,978	530,208
Repair and maintenance		710,052	401,408
Bad Debts Expense		71,660	106,594
Rent, rates and taxes		1,278,189	447,750
Transaction Charges		1,296,326	1,858,053
Entertainment		128,372	256,258
Amortization		-	8,500
Fees & subscription		251,000	609,211
Auditor's remuneration	16.1	290,000	390,000
Depreciation	4	744,068	65,307
Donation		-	25,000
Computer expense		1,110,306	1,497,273
Insurance		-	37,037
Bank charges		20,034	15,452
Miscellaneous		132,192	1,035,363
Traveling and Conveyance		105,390	80,510
		22,755,159	24,276,633

16.1 Auditor's remuneration

	2022	2021
Annual audit fee	250,000	220,000
Other Certificates	40,000	30,000
System audit	-	140,000
	290,000	390,000

17. OTHER INCOME

	2022 (Rupees)	2021 (Rupees)
Unrealized/ Realized Gain/(Loss) on Investment at FVTPL	**(13,507,940)**	12,534,549
Return on Deposit in PSX - Ready Market	**1,298,396**	838,147
Return on Bank Deposits	**1,105**	13,266
Gain/ (Loss) on Disposal	**-**	(2,046,245)
Other income	**108,376**	128,193
Dividend Income	**1,577,088**	294,758
	(10,522,975)	11,762,669

18. TAXATION

The Company has filed return for the tax year 2021. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Current		
- Current year	**1,181,627**	628,739
- Prior year	**-**	2,677,097
	1,181,627	3,305,836
Deferred	**-**	-
Net tax charge	**1,181,627**	3,305,836

18.1 Deferred tax amounting to Rs. 0.7m (2021: Rs. 0.3m) is not recognized due to operating losses.

18.2 Relationship between tax expense and accounting profit

Profit/(loss) before taxation	**(20,910,141)**	16,031,624
Tax at the applicable rate 29% (2019:29%)	**(6,063,941)**	4,649,171
Tax effect of income taxed under FTR	**4,522,915**	(3,676,287)
Tax effect of income taxed under minimun tax	**2,342,028**	-
Deffered tax asset not recognized/ reversed	**380,625**	(344,145)
Prior year taxation	**-**	2,677,097
	1,181,627	3,305,836

19. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

19.1 Financial instrument by category

19.1.1 Financial assets

	2022			
	At fair value through profit or loss	**At fair value through OCI**	**At amortized cost**	**Total**
Long term loan, advances & deposits	-	-	**1,302,000**	**1,302,000**
Investment at FV-OCI	-	**11,060,615**	-	**11,060,615**
Investment at FV-P&L	**19,006,912**	-	-	**19,006,912**
Trade debts	-	-	**3,308,126**	**3,308,126**
prepayments	-	-	**34,321,247**	**34,321,247**
Bank balances	-	-	**12,785,255**	**12,785,255**
	19,006,912	**11,060,615**	**51,716,628**	**81,784,155**

	2021			
	At fair value through profit or loss	At fair value through OCI	At Amortized cost	Total
Long term loan, advances & deposits	-	-	1,302,000	1,302,000
Investment at FV-OCI	-	24,121,439	-	10,703,821
Investment at FV-P&L	30,190,860	-	-	20,957,163
Trade debts	-	-	3,366,703	3,449,037
prepayments	-	-	40,141,987	32,568,246
Bank balances	-	-	44,327,453	24,965,524
	30,190,860	24,121,439	89,138,143	93,945,791

19.1.2 Financial Liabilities at amortized cost

	2022	
	Amount	**Total**
Trade and other Payables	**9,704,967**	**9,704,967**
	9,704,967	**9,704,967**

	2021	
	Amount	**Total**
Trade and other Payables	**36,691,318**	**36,691,318**
	36,691,318	**36,691,318**

19.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidty risk
Market risk
Operational risk

19.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.The company allow to trade in fututre contracts after taking appropriate margins

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company doesnot expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	Rupees	
Long Term deposit	**1,302,000**	1,302,000
Investment at fair value through OCI	**11,060,613**	24,121,439
Investment at fair value through P&L	**19,006,912**	30,190,860
Advances, deposits prepayments and other receivable	**23,330,504**	39,231,987
Trade debts	**3,308,126**	3,366,703
Bank Balances	**12,785,255**	44,327,453
	70,793,410	142,540,442

Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

	2022	2021
	Rupees	
AAA	**3,215,838**	4,798,266
AA+	**962,399**	513,505
AA-	**372,310**	353,330
A+	**8,234,708**	38,662,352
	12,785,255	44,327,453

The credit rating agency are PACRA and JCR-VIS.

19.2.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficent cash and marketable securities, the availablity of funding to an adequate amount of committed credit facililities and the ability to close out market positions due to dynamic nature of business.

	2022				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	**9,704,967**	**9,704,967**	**9,704,967**	-	-
	9,704,967	**9,704,967**	**9,704,967**		

	2021				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	36,691,318	36,691,318	36,691,318	-	-
	36,691,318	**36,691,318**	**36,691,318**		

On the balance sheet date, the company has cash and bank balances of Rs.12.901 million (2021: 44.344 million) for repayment of liabilities.

19.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market intrest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices(other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial insturment or its issuer, or factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainities about the future value of investment securities. The company manages the equity price through diversification and all instruments are made thorugh surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2022	**1,900,691**	**(1,900,691)**
as at 30th June 2021	**3,019,086**	**(3,019,086)**

19.3 Fair value of Financial instruments

The Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

The company hold listed assets amounting to Rs 30.07 million (2021: 54.33 million) that are recorded at quoted price.

19.4 Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

20 LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	603,969	603,969	-
1.2	Intangible Assets	3,600,000	3,600,000	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	**Investment in Debt. Securities**	-	-	-
	If listed than:	-	-	-
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	2,047,923	102,396	1,945,527
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:	-	-	-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**	-	-	-
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	5,664,441	849,666	4,814,775
	ii. If unlisted, 100% of carrying value.	-	-	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	22,355,163	22,355,163	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**	-	-	-
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,210,000	2,210,000	-
1.9	Margin deposits with exchange and clearing house.	23,250,000	-	23,250,000
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 on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months **PLUS** ii. Advance tax to the extent it is netted with provision of taxation.	7,453,640	7,453,640	-
	iii. Receivables other than trade receivables	10,080,743	10,080,743	-
1.16	**Receivables from clearing house or securities exchange(s)**	-	-	-
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including	-	-	-

	MtM gains.	-	-	-
1.17	**Receivables from customers**	-		-
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-		-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***	-		-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	2,410,655	-	2,410,655
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	1,397,471	1,286,319	111,152
	vi. 100% haircut in the case of amount receivable form related parties.	-	-	-
1.18	**Cash and Bank balances**	-	-	-
	i. Bank Balance-proprietory accounts	3,792,762	-	3,792,762
	ii. Bank balance-customer accounts	8,992,493	-	8,992,493
	iii. Cash in hand	116,685	-	116,685
1.19	**Total Assets**	**93,977,945**		**45,434,049**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house		-	-
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	8,657,195	-	8,657,195
2.2	**Current Liabilities**			-
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	1,047,772	-	1,047,772
	iii. Short-term borrowings		-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-
2.3	**Non-Current Liabilities**			-
	i. Long-Term financing		-	-
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease		-	-
	b. Other long-term financing		-	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.		-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		-	-
	Subordinated Loans		-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified:			

2.4	a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP		-	-
2.5	**Total Liabilites**	**9,704,967**		**9,704,967**
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing** The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securites lending and borrowing** The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments** **(a) in the case of right issuse :** if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary** The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions** 5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment** **In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions** If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	1,946,721	1,946,721
3.9	**Opening Positions in futures and options** i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions** i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	-	**1,946,721**	**1,946,721**
		84,272,978	**Liquid Capital**	**33,782,361**

21 CAPITAL ADEQUACY LEVEL

Total Assets	**93,477,943**	155,616,886
Less: Total Liabilities	**(9,704,967)**	(36,691,318)
Less: Revaluation Reserves	**-**	-
Capital Adequacy Level	**83,772,976**	118,925,568

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Nael Capital (Private) Limited as at year ended 30th June 2022 determined by Pakistan Stock Exchange has been considered.

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Name/Relation	No.	Transaction	2022	2021
			-------------Rupees-----------	
Directors	3	Salary	8,044,000	6,232,000
C.E.O.	1	Salary	3,096,000	4,559,000
Executives	2	Salary	1,890,625	-
			13,030,625	10,791,000

23. NUMBER OF EMPLOYEES

	Number of emnployees	
Total number of employees at 30 June	9	12

24. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 07 OCT 2022 by the Board of Directors of the company.

25. GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

Chief Executive

Director

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