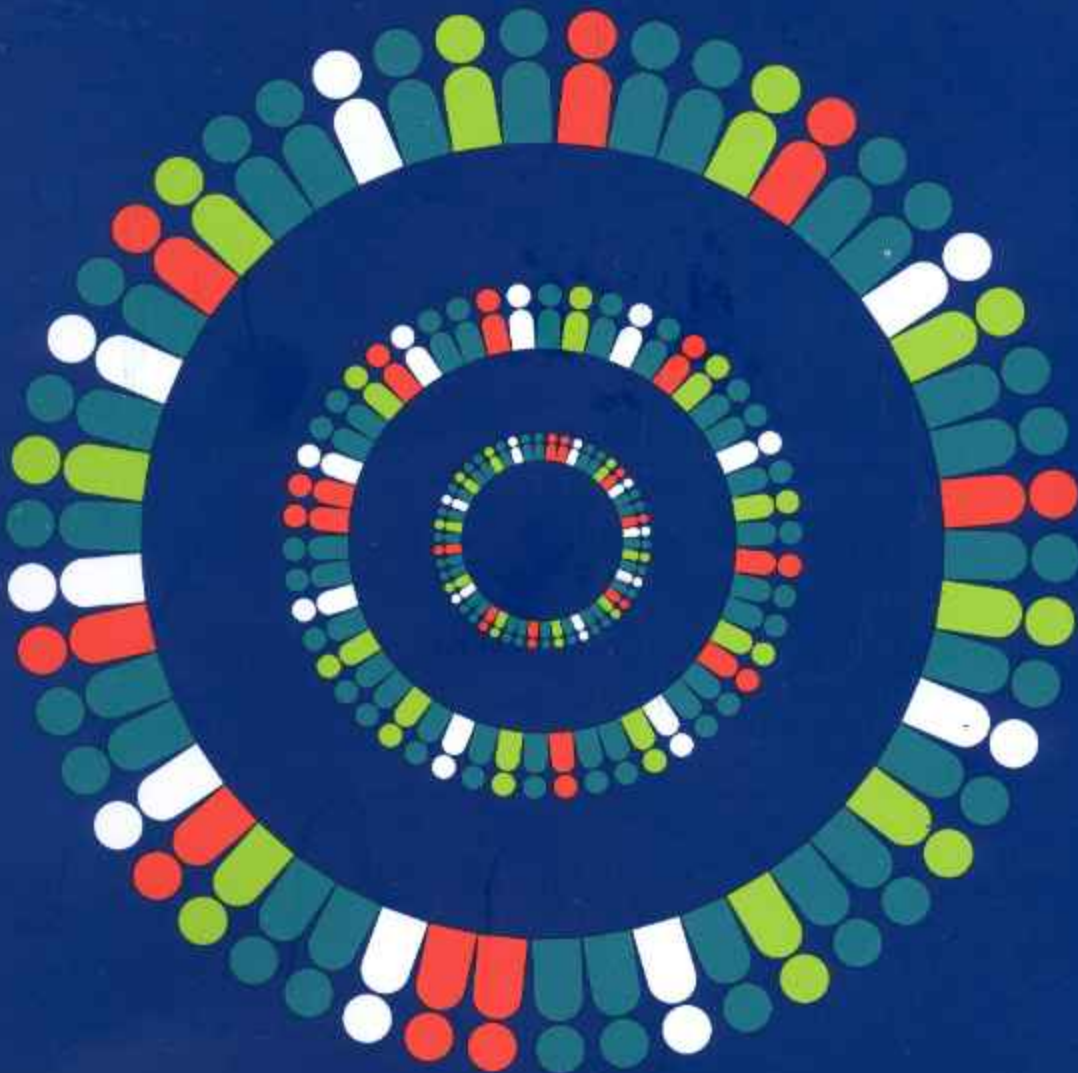


Nael Capital (Private) Limited
Financial Statements
For the year ended
June 30, 2023





DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2023. The Summarized results for the year ended 30th June 2023 are as under:

Financial results	2023
Operating Revenue	10,224,174
Loss before Taxation	(9,724,221)
Taxation	(649,787)
Loss after Tax	(10,374,008)

AUDITORS:

The auditors M/S UHY Hassan Naeem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

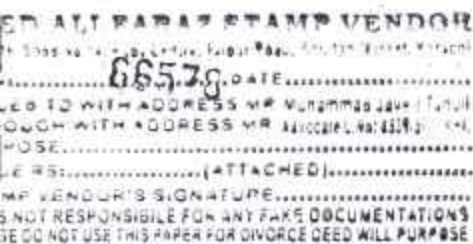
For and on behalf of the Board

Chief Executive

Date: 30 October, 2023

Karachi

Director



UNDERTAKING

- I. There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws;
- II. The company is complied with Corporate Governance Code For Securities Broker as per the criteria specified in Annexure D of Securities Brokers (Licensing and Operations) Regulations, 2016;

Date: 30 April 2023

Nasir Muqeet
Chief Executive Officer

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, 2023** 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, 2023 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 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 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 30, 2023

UDIN: AR202310215a7jQIMDZx

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	1,636,461	603,969
Intangible assets	5	3,600,000	3,600,000
Investment-at Fair value through other comprehensive income	6	8,000,836	11,060,613
Long term deposits	7	1,302,000	1,302,000
		14,539,297	16,566,582
CURRENT ASSETS			
Trade debts	8	1,801,717	3,308,126
Investment at fair value through profit and loss	9	16,078,485	19,006,912
Advances, deposits, prepayments and other receivables	10	36,553,647	41,694,383
Cash and bank balances	11	6,362,067	12,901,940
		60,795,916	76,911,361
		75,335,213	93,477,943
SHARE CAPITAL AND RESERVES			
Authorized capital	12.1	300,000,000	300,000,000
Share capital			
Issued, subscribed and paid-up capital	12.2	70,434,993	70,434,993
Share Premium		51,000,000	51,000,000
Capital Reserves			
Surplus/(Deficit) - Investment at Fair value through OCI		(13,628,282)	(10,568,503)
Revenue reserves			
Accumulated Profit/(Loss)		(37,467,522)	(27,093,514)
		70,339,189	83,772,976
CURRENT LIABILITIES			
Trade and other payable	13	4,996,024	9,704,967
Contingencies and commitments			
	14	75,335,213	93,477,943

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, 2023

	<i>Note</i>	2023 <i>(Rupees)</i>	2022 <i>(Rupees)</i>
Revenue from contract with customers	15	10,224,174	12,367,993
Operating and administrative expenses	16	(18,790,084)	(22,755,159)
Operating Income/ (loss)		<u>(8,565,910)</u>	<u>(10,387,166)</u>
Other income	17	<u>(1,158,311)</u>	<u>(10,522,975)</u>
NET PROFIT / (LOSS) BEFORE TAXATION		(9,724,221)	(20,910,141)
Taxation	18	<u>(649,787)</u>	<u>(1,181,627)</u>
NET PROFIT / (LOSS) AFTER TAXATION		<u>(10,374,008)</u>	<u>(22,091,768)</u>

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, 2023

	2023 (Rupees)	2022 (Rupees)
Profit/(loss) for the year	(10,374,008)	(22,091,768)
Other Comprehensive Income/ Loss		
Items that will not be subsequently reclassified in profit or loss		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	(3,059,779)	(13,060,824)
	(3,059,779)	(13,060,824)
TOTAL COMPREHENSIVE INCOME/ (LOSS)	<u>(13,433,787)</u>	<u>(35,152,592)</u>

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, 2023

	Share capital		Capital Reserves	Revenue Reserves	Total
	Issued, Subscribed and Paid-up Capital	Share Premium	Surplus/ (Deficit) - Investment (FVTOCI)	Accumulated Profit/ (Loss)	
	-----Rupees-----				
Balance as at July 01, 2021	70,434,993	51,000,000	2,492,321	(5,001,746)	118,925,568
Net loss for the year	-	-	-	(22,091,768)	(22,091,768)
Other comprehensive loss	-	-	(13,060,824)	-	(13,060,824)
Balance as at June 30, 2022	70,434,993	51,000,000	(10,568,503)	(27,093,514)	83,772,976
Net loss for the year	-	-	-	(10,374,008)	(10,374,008)
Other comprehensive loss	-	-	(3,059,779)	-	(3,059,779)
Balance as at June 30, 2023	70,434,993	51,000,000	(13,628,282)	(37,467,522)	70,339,189

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, 2023

	2023 (Rupees)	2022 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(9,724,221)	(20,910,141)
Adjustment for non-cash items		
Depreciation	194,712	744,068
Unrealized/ Realized Gain/(Loss) on Investment at FVTPL	3,865,778	13,507,940
Dividend income	(990,980)	(1,577,088)
Expected credit loss	-	-
Operating profit before working capital changes	3,069,510	12,674,920
Changes in working capital		
Decrease / (increase) in trade debts	1,506,409	58,577
Decrease / (increase) in advances, deposits and prepayments	5,275,781	5,820,740
(Decrease) / increase in trade and other payable	(4,708,943)	(26,986,351)
	2,073,247	(21,107,034)
Taxes paid	(784,832)	(1,276,312)
Net cash (used in)/generated from operating activities	(5,366,296)	(30,618,567)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,227,204)	(76,600)
Acquisition/Disposal of investments - net of sales	(937,353)	(2,323,989)
Dividend received	990,980	1,577,088
Net cash (used in)/generated from investing activities	(1,173,577)	(823,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in)/generated from financing activities	-	-
Net increase in cash and cash equivalent	(6,539,873)	(31,442,068)
Cash and cash equivalent at beginning of the year	12,901,940	44,344,008
Cash and cash equivalent at end of the year	6,362,067	12,901,940

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, 2023

1 Legal Status and Nature of Business

Nael Capital (Private) Limited was incorporated under the repealed Companies Ordinance, 1984 on February 23, 2005 as 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, and the company does not have any branch office. 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. 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	Presentation of Financial Statements (Amendments)	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 7	Statement of Cash Flows (Amendments)	January 01, 2023
IFRS 4	Insurance Contracts (Amendments)	January 01, 2023
IFRS 3	Financial Instruments: Disclosures	January 01, 2023
IFRS 16	Leases (Amendments)	January 01, 2024

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, 2023:

- 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 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 the 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

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 the 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.

NAEL CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. PROPERTY AND EQUIPMENT

2023						
	New Building	Office Equipment	Furniture and fixtures	Computers	Motor Vehicle	Total
(Rupees)						
As at July 01, 2022						
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)
Net book value at the beginning of the year	-	51,827	-	31,222	520,920	603,969
Changes during the year						
Additions	-	874,204	-	353,000	-	1,227,204
Disposals - cost	-	-	-	-	-	-
Depreciation charge for the year	-	(95,537)	-	(99,175)	-	(194,712)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Net book value at the end of the year	-	830,494	-	285,047	520,920	1,636,461
Analysis of net book value						
As at June 30, 2023						
Cost	-	3,667,791	203,292	3,466,869	1,836,366	9,174,318
Accumulated depreciation and impairment	-	(2,837,297)	(203,292)	(3,181,822)	(1,315,446)	(7,537,857)
Net book value at the end of the year	-	830,494	-	285,047	520,920	1,636,461
Depreciation rate (% per annum)		10%	10%	33%	20%	

2022						
	New Building	Office Equipment	Furniture and fixtures	Computers	Motor Vehicle	Total
(Rupees)						
As at July 01, 2021						
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)
Net book value at the beginning of the year	-	301,186	8,689	108,042	853,520	1,271,437
Changes during the year						
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						-
Net book value at the end of the year	-	51,827	-	31,222	520,920	603,969
Analysis of net book value						
As at June 30, 2022						
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)
Net book value at the end of the year	-	51,827	-	31,222	520,920	603,969
Depreciation rate (% per annum)		10%	10%	33%	20%	

5. INTANGIBLE ASSETS

[illegible]

5.1. 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.

6. INVESTMENT - AT FAIR VALUE THROUGH OCI

Investment in shares of Pakistan Stock Exchange 6.1. 8,000,836 11,060,613

6.1. This represents 1,081,194 (2022: 1,081,194) shares of Pakistan Stock Exchange Limited. These shares are pledge with PSX against Base minimum capital requirement.

7. LONG-TERM DEPOSITS

Deposits with

- Central Depository Company	100,000	100,000
- National Clearing Company Pakistan Limited	1,200,000	1,200,000
- Others	2,000	2,000
	<u>1,302,000</u>	<u>1,302,000</u>

8. TRADE DEBTS

Trade debts	8.2. 2,301,717	3,808,126
less: Expected credit loss	8.1. (500,000)	(500,000)
	<u>1,801,717</u>	<u>3,308,126</u>

8.1. Provision for expected credit loss

Opening	500,000	500,000
Provision recorded during the year	-	71,660
Less: Write off during the year	-	(71,660)
	<u>500,000</u>	<u>500,000</u>

8.2. Loss Allowance

Past due 1 - 30 days	485,311	2,772,022
Past due 31 - 180 days	1,211,808	560,865
Past due 181 days - 1 year	228,123	125,080
More than one year	376,475	350,158
	<u>2,301,717</u>	<u>3,808,126</u>

8.3. Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit loss	Reversal of provision for expected credit loss	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Irshad ul Haq Khan	113,670	113,670	-	-	-	113,670	269,540
	<u>113,670</u>	<u>113,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,670</u>	<u>269,540</u>

8.3.1 Maximum amount outstanding at any time during the year calculated by reference to month-end balances.

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Amount not past due	Amount past due					Total gross amount due
		Past due 0-30 days	Past due 31-90 days	Past due 90-180 days	Past due 181-365 days	Past due 365 days	
Irshad ul Haq Khan	-	1	402	303	112,964	-	113,670
	<u>-</u>	<u>1</u>	<u>402</u>	<u>303</u>	<u>112,964</u>	<u>-</u>	<u>113,670</u>

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

Investment in quoted securities	9.1.	13,756,028	16,958,989
Investment in Mutual funds	9.2.	2,322,457	2,047,923
		<u>16,078,485</u>	<u>19,006,912</u>

9.1. Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This investment pledge with Pakistan Stock Exchange Limited amounting to Rs 8,186,009 against Base Minimum Capital and National Clearing Company Pakistan Limited amounting to Rs 5,570,850 against Ready RMS and Future Contract.

9.2. Investment in MCB- Al hamra Mutual fund.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2023 (Rupees)	2022 (Rupees)
Income tax refundable	7,508,181	7,373,136
NCCPL's Exposure deposit	14,900,000	23,250,000
Base Minimum Capital Deposit	910,000	910,000
Advance to staff	171,504	80,504
Advance against purchase of office	12,500,000	10,000,000
Others	563,962	80,743
	<u>36,553,647</u>	<u>41,694,383</u>

11. CASH AND BANK BALANCES

Cash in hand	43,250	116,685
Cash at bank - Current	6,318,817	12,785,255
- Saving	-	-
	<u>6,362,067</u>	<u>12,901,940</u>

11.1. Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 3.631 million (2022: 8.657).

12. SHARE CAPITAL

12.1. Authorized share capital

Authorized share capital comprises of 30,000,000 (2022: 30,000,000) Ordinary shares of Rs. 10 each.

12.2. Issued, subscribed and paid up capital

Issued, subscribed and paid up capital comprises of:
Ordinary share capital

2023 (Rupees)	2022 (Rupees)
70,434,993	70,434,993
<u>70,434,993</u>	<u>70,434,993</u>

12.2.1 The breakup of ordinary and preference share capital is as follows:

2023 (Numbers)	2022 (Numbers)		2023 (Rupees)	2022 (Rupees)
		Ordinary shares		
7,043,499	7,043,499	Ordinary shares of Rs. 10 each paid in cash	70,434,993	70,434,993
			<u>70,434,993</u>	<u>70,434,993</u>

12.2.2 Reconciliation of number of shares outstanding

	2023 (Numbers)	2022 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	7,043,499	7,043,499
Issued for cash	-	-
	<u>7,043,499</u>	<u>7,043,499</u>

13. TRADE AND OTHER PAYABLE

Credit balances of clients	13.1.	3,631,246	8,657,195
Sales tax payable		232,830	370,042
Other Payable		657,042	450,030
Audit Fee Payable		240,000	227,700
Accrued Expenses		234,906	-
		<u>4,996,024</u>	<u>9,704,967</u>

13.1. Credit balances of clients held by the company in separate bank accounts.

14. CONTINGENCIES AND COMMITMENTS

14.1. There were no contingencies and commitments as at June 30, 2023.

15. REVENUE FROM CONTRACT WITH CUSTOMERS

Brokerage Income- gross	11,553,290	14,216,084
Sales tax	(1,329,116)	(1,848,091)
	<u>10,224,174</u>	<u>12,367,993</u>

16. OPERATING AND OTHER EXPENSES

Salaries, allowances and other benefits		11,987,191	15,859,465
Communication		317,894	228,587
Printing & Stationary		63,104	71,540
Utilities		758,289	457,978
Repair and maintenance		39,970	710,052
Rent, rates and taxes		1,766,897	1,278,189
Transaction Charges		1,389,598	1,296,326
Expected credit loss		-	71,660
Legal and professional		-	75,000
Entertainment		144,540	128,372
Fees & subscription		183,484	251,000
Auditor's remuneration	16.1	240,000	215,000
Depreciation	4	194,712	744,068
Software		1,218,148	1,110,306
Bank charges		25,257	20,034
Miscellaneous		308,645	132,192
Traveling and Conveyance		152,355	105,390
		<u>18,790,084</u>	<u>22,755,159</u>

16.1. Auditor's remuneration

Annual audit fee	240,000	215,000
	<u>240,000</u>	<u>215,000</u>

17. OTHER INCOME

	2023 (Rupees)	2022 (Rupees)
Capital Gain/(Loss) on Investment at FVTPL	(3,865,778)	(13,507,940)
Income from dividend	990,980	1,577,088
Profit on margin deposit	1,715,154	1,298,396
Profit on Bank Deposits	917	1,105
Other income	416	108,376
	<u>(1,158,311)</u>	<u>(10,522,975)</u>

18. TAXATION

The Company has filed return for the tax year 2022. 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	649,787	1,181,627
- Prior year	-	-
	<u>649,787</u>	<u>1,181,627</u>

Deferred

Net tax charge	<u>649,787</u>	<u>1,181,627</u>
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- 18.1. The company has tax losses in the previous years, on which deferred tax asset will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset amounting to Rs. 3.783 million (2022: 0.7 million) has not been recorded.

18.2. Relationship between tax expense and accounting profit

Profit/(loss) before taxation	<u>(9,724,221)</u>	<u>(20,910,141)</u>
Tax at the applicable rate 29% (2022: 29%)	(2,820,024)	(6,063,941)
Tax effect of income taxed under FTR	982,338	4,522,915
Tax effect of income taxed under minimum tax	501,140	2,342,028
Deferred tax asset not recognized/ reversed	1,986,333	380,625
	<u>649,787</u>	<u>1,181,627</u>

19. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

19.1. Financial instrument by category

19.1.1 Financial assets

	2023			
	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	-	8,000,836	-	8,000,836
Investment at FV-P&L	16,078,485	-	-	16,078,485
Trade debts	-	-	1,801,717	1,801,717
Advances, deposits and prepayments	-	-	36,553,647	36,553,647
Bank balances	-	-	6,362,067	6,362,067
	<u>16,078,485</u>	<u>8,000,836</u>	<u>46,019,431</u>	<u>70,098,752</u>

	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	-	11,060,613	-	11,060,613
Investment at FV-P&L	19,006,912	-	-	19,006,912
Trade debts	-	-	3,308,126	3,308,126
Advances, deposits and prepayments	-	-	41,694,383	41,694,383
Bank balances	-	-	12,901,940	12,901,940
	19,006,912	11,060,613	59,206,449	89,273,974

19.1.2 Financial Liabilities at amortized cost

	2023	
	Amount	Total
Trade and other Payables	4,996,024	4,996,024
	4,996,024	4,996,024

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

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
- Liquidity 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 future 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:

	2023	2022
	<i>Rupees</i>	
Long Term deposit	1,302,000	1,302,000
Investment at fair value through OCI	8,000,836	11,060,613
Investment at fair value through P&L	16,078,485	19,006,912
Advances, deposits prepayments and other receivables	29,045,466	34,321,247
Trade debts	1,801,717	3,308,126
Bank Balances	6,318,817	12,785,255
	<u>62,547,321</u>	<u>81,784,153</u>

19.2.2 Bank Balances

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

	2023	2022
	<i>Rupees</i>	
AAA	426,471	3,215,838
AA+	700,789	962,399
AA-	301,632	372,310
A+	4,889,925	8,234,708
	<u>6,318,817</u>	<u>12,785,255</u>

The credit rating agency are PACRA and JCR-VIS.

19.2.3 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 sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

		2023		
	carrying amount	contractual cash flows	up to one year	one to two years
Financial Liabilities				
Trade and other payables	4,996,024	4,996,024	4,996,024	-
	<u>4,996,024</u>	<u>4,996,024</u>	<u>4,996,024</u>	<u>-</u>

		2022		
	carrying amount	contractual cash flows	up to one year	one to two years
Financial Liabilities				
Trade and other payables	9,704,967	9,704,967	9,704,967	-
	<u>9,704,967</u>	<u>9,704,967</u>	<u>9,704,967</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs. 6.362 Million (2022: 12.902 million) and short term investments of Rs 24.079 million (2022: 30.068 million) for repayment of liabilities.

19.2.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest 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 instrument 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 uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through 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 2023	1,607,849	(1,607,849)
as at 30th June 2022	1,900,691	(1,900,691)

19.3 Fair value of Financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in any orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the financial assets and liabilities are not significantly different from their carrying values in the financial statements.

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of assets and liabilities carried at fair value:

	2023		
	Level 1	Level 2	Level 3
	(Rupees)		
Investment in quoted securities	21,756,864		
Investment in Mutual funds	2,322,457	-	-
	24,079,321	-	-
	2022		
	Level 1	Level 2	Level 3
	(Rupees)		
Investment in quoted securities	28,019,602		
Investment in Mutual funds	2,047,923	-	-
	30,067,525	-	-

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. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	2,322,000	3,951,000	3,221,250	3,096,000	5,893,000	3,641,625
Bonus	-	-	-	-	-	-
	2,322,000	3,951,000	3,221,250	3,096,000	5,893,000	3,641,625
Number of persons (including those who worked part of the year)	1	1	2	1	2	2

21. 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 are as follows:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Nasir Muqet	Shareholder/CEO	Receivable / (Payable)	(4,000)	(7,867)
Nasir Muqet	Shareholder/CEO	Remuneration	2,322,000	3,096,000
Muhammad Shakeel	Shareholder/Director	Receivable / (Payable)	(157,121)	(2,033)
Muhammad Shakeel	Shareholder/Director	Remuneration	3,951,000	5,268,000
Ashraf Bava	Shareholder/Director	Receivable / (Payable)	(1,179)	(1,179)
Ashraf Bava	Shareholder/Director	Remuneration	-	625,000
Irshad-Ul-Haq	Shareholder	Receivable / (Payable)	113,670	1,781
Irshad-Ul-Haq	Shareholder	Remuneration	1,857,000	2,376,000
Nadia Shakeel	Spouse of Director	Receivable / (Payable)	(18,336)	62
Alvina Ashraf	Spouse of Director	Receivable / (Payable)	(345)	16

22. NUMBER OF EMPLOYEES

	2023 (Numbers)	2022 (Numbers)
Total employees of the Company at the year end	9	10
Average employees of the Company during the year	9	11

23. CAPITAL ADEQUACY LEVEL

Total Assets	75,335,213	93,477,943
Less: Total Liabilities	(4,996,024)	(9,704,967)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	70,339,189	83,772,976

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 2023 determined by Pakistan Stock Exchange has been considered.

24 LIQUID CAPITAL BALANCE

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

1.1	Property & Equipment	1,636,461	1,636,461	-
1.2	Intangible Assets	3,600,000	3,600,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	2,322,457	116,123	2,206,334
1.5	Investment in Equity Securities (listed)	21,756,864	17,061,993	4,695,703
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.	14,900,000	-	14,900,000
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	Advances and receivables other than trade			
	(i) Short term loan to employees	171,504	171,504	-
	(ii) Advance tax	7,508,181	7,508,181	-
	(iii) Other cases	12,550,000	12,550,000	-
1.16	Receivables from clearing house or securities exchange(s)	513,962	-	513,962
1.17	Receivables from customers			
	i. Trade receivables not more than 5 days overdue	23,076	-	23,076
	ii. Trade receivables are overdue, or 5 days or more	2,278,641	2,153,542	123,098
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	2,062,023	-	2,062,023
	ii. Bank balance-customer accounts	4,256,794	-	4,256,794
	iii. Cash in hand	43,250	-	43,250
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
Total Assets		75,835,213		28,824,240

Liabilities

2.1	Trade Payables			
	i. Payable to customers	3,631,246	-	3,631,246
2.2	Current Liabilities			
	i. Accruals and other payables	1,364,778	-	1,364,778
2.3	Non-Current Liabilities			
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilities		4,996,024		4,996,024

Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securities lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	1,408,185	1,408,185
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-
Total Ranking Liabilities		-	-	1,408,185
Grand Total		70,839,189	-	22,420,031

25 OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

25.1 Pattern of Shareholding

	2023	2022	2023	2022
	% of Holding		Number of Shares	
Mr. Ashraf Bava (Director)	79.80%	79.80%	5,621,020	5,621,020
Mr. Irshad ul Haq (Director)	0.07%	0.07%	5,000	5,000
Mr. Nasir Muqet (CEO)	2.45%	2.45%	172,302	172,302
Mr. Muhammad Shakeel	17.68%	17.68%	1,245,177	1,245,177
	100.00%	100.00%	7,043,499	7,043,499

25.2 During the year there was no movement in shareholding of more than 5% of the shares.

25.3 As at June 30, 2023, neither company's securities pledged with financial institutions, nor customer securities maintained with the company pledged with financial institutions.

25.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 350.723 million (June 30, 2022: Rs. 414.252 million).

26. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

27. DATE OF AUTHORIZATION

These financial statements were approved by the Company's board of directors and authorised for

issue on 30 OCT 2023

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Chief Executive



Director



OFFICES IN PAKISTAN

Karachi Office:

402 Progressive Centre,
30-A, Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi
Phone +92 (21) 34322551-3

Lahore Office:

193-A, Shah Jamal,
Lahore - 54000.
Phone: +92 (42) 35403550-1, 35403588
Fax: 92 (42) 35403599
E-mail: info@uhy-hnco.com
Web: <http://www.uhy-hnco.com>

Islamabad Office:

West Lower Ground, Pak Plaza (19-A)
Fazl-e-Haq Road, Blue Area, Islamabad.
Phone: +92 (51) 2873431-3
Fax: +92 (51) 2261791

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