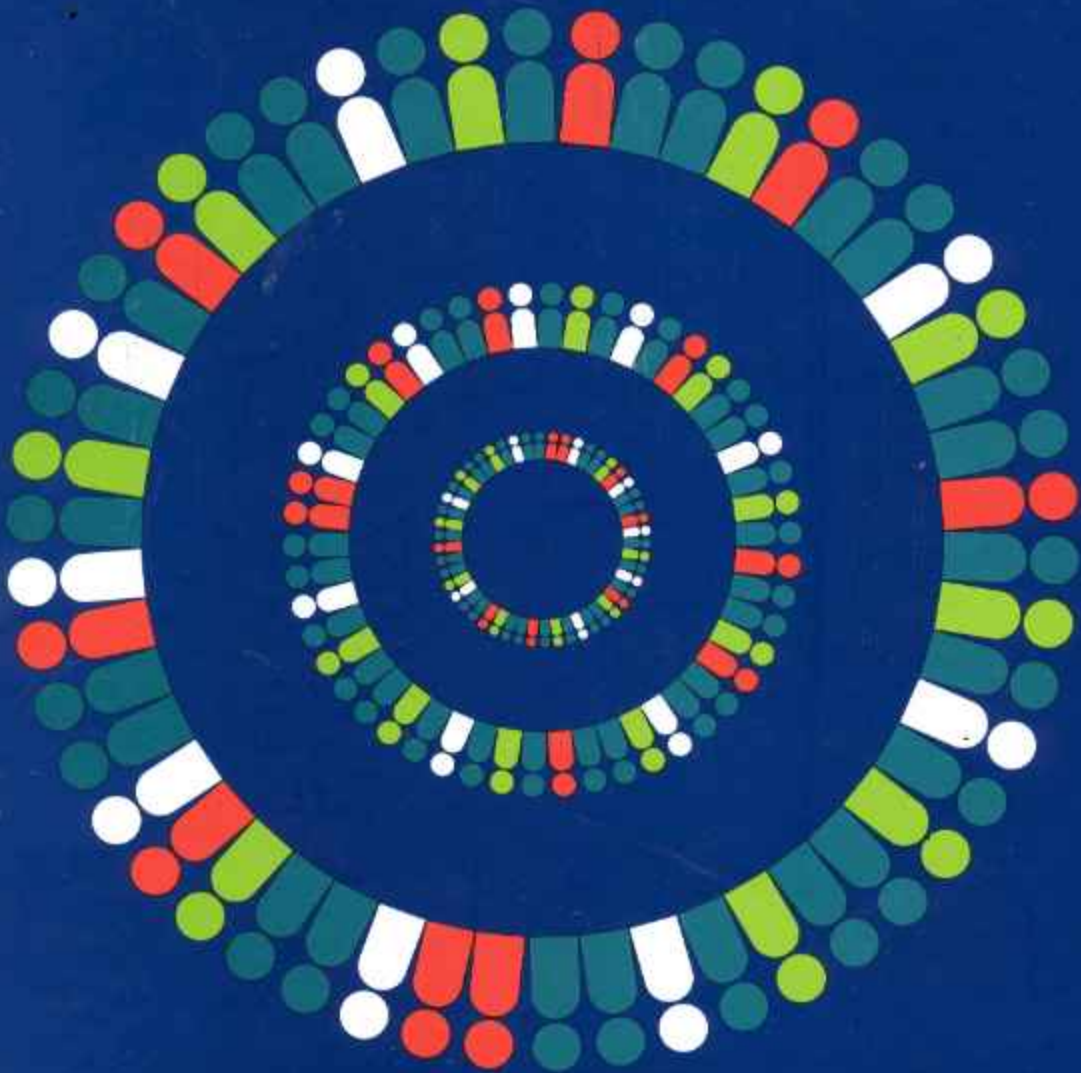


Nael Capital (Private) Limited
Financial Statements
For the year ended
June 30, 2024





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 2024 are as under:

Financial results	2024
Operating Revenue	17,040,720
Profit before Taxation	8,679,508
Taxation	(2,535)
Profit after Tax	8,676,973

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: October 5, 2024

Karachi

Director



UNDERTAKING

I, **Nasir Muqeeb** Chief Executive Officer of **Nael Capital (Private) Limited**, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at 601, 6th floor Business Finance Centre, I.I. Chundrigar Road, Karachi, herein after called the "company" do hereby undertake that:

- 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: 5th October 2024

Nasir Muqeeb
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, 2024** 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 material accounting policy 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, 2024 and of the profit 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.

Other Information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the 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 05, 2024

UDIN: AR202410215wuEt9kRPG

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	989,126	1,636,461
Intangible assets	5	3,600,000	3,600,000
Investment-at Fair value through other comprehensive income	6	13,850,096	8,000,836
Long term deposits	7	1,302,000	1,302,000
		19,741,222	14,539,297
CURRENT ASSETS			
Trade debts	8	5,021,908	1,801,717
Investment at fair value through profit and loss	9	25,675,383	16,078,485
Advances, deposits, prepayments and other receivables	10	32,884,752	36,553,647
Cash and bank balances	11	25,333,187	6,362,067
		88,915,230	60,795,916
		108,656,452	75,335,213
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		(7,779,022)	(13,628,282)
Revenue reserves			
Accumulated Profit/(Loss)		(28,790,549)	(37,467,522)
		84,865,422	70,339,189
CURRENT LIABILITIES			
Trade and other payable	13	23,791,030	4,996,024
Contingencies and commitments	14		
		108,656,452	75,335,213

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, 2024

	Note	2024 (Rupees)	2023 (Rupees)
Revenue from contract with customers	15	17,040,720	10,224,174
Operating and administrative expenses	16	(21,394,205)	(18,790,084)
Operating Income/(loss)		(4,353,485)	(8,565,910)
Other income	17	14,407,098	(1,158,311)
Other charges		(167,911)	-
Profit/(loss) before income tax, minimum tax differential and final tax		9,885,702	(9,724,221)
Minimum tax - levy	18	(906,927)	(501,140)
Final taxes - levy	19	(299,267)	(148,647)
		(1,206,194)	(649,787)
Profit/(loss) before income tax		8,679,508	(10,374,008)
Income Tax Expense	20	(2,535)	-
NET PROFIT/ (LOSS) AFTER TAXATION		8,676,973	(10,374,008)

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

why


Chief Executive


Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
Profit/(loss) for the year	8,676,973	(10,374,008)
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	5,849,260	(3,059,779)
	5,849,260	(3,059,779)
TOTAL COMPREHENSIVE INCOME/ (LOSS)	14,526,233	(13,433,787)

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

uly



Chief Executive



Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Share capital		Capital Reserves	Revenue Reserves	Total
Issued, Subscribed and Paid-up Capital	Share Premium	Surplus/ (Deficit) - Investment (FVTOCI)	Accumulated Profit/ (Loss)	
<i>Ruppes</i>				
70,434,993	51,000,000	(10,568,503)	(27,093,514)	83,772,976
-	-	-	(10,374,008)	(10,374,008)
-	-	(3,059,779)	-	(3,059,779)
70,434,993	51,000,000	(13,628,282)	(37,467,522)	70,339,189
-	-	-	8,676,973	8,676,973
-	-	5,849,260	-	5,849,260
70,434,993	51,000,000	(7,779,022)	(28,790,549)	84,865,422

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

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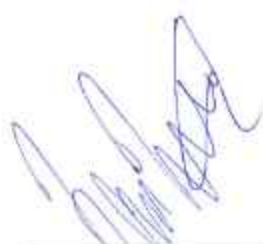

Chief Executive


Director

NAEL CAPITAL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	8,679,508	(9,724,221)
<u>Adjustment for non-cash items</u>		
Depreciation	191,415	194,712
Unrealized/ Realized Gain/(Loss) on Investment at FVTPL	(11,251,054)	3,865,778
Dividend income	(653,156)	(990,980)
Loss on disposal of property and equipment	416,152	-
Minimum tax - levy	906,927	501,140
Final taxes - levy	299,267	148,647
Operating profit before working capital changes	(10,090,449)	3,719,297
<u>Changes in working capital</u>		
Decrease / (increase) in trade debts	(3,220,191)	1,506,409
Decrease / (increase) in advances, deposits and prepayments	3,866,415	5,275,781
(Decrease) / increase in trade and other payable	18,795,006	(4,708,943)
	19,441,230	2,073,247
Taxes paid	(1,106,982)	(1,434,619)
Net cash (used in)/generated from operating activities	16,923,307	(5,366,296)
 CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(65,000)	(1,227,204)
Disposal of property and equipment	104,768	-
Acquisition/Disposal of investments - net of sales	1,452,862	(937,353)
Dividend received	555,183	990,980
Net cash (used in)/generated from investing activities	2,047,813	(1,173,577)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in)/generated from financing activities	-	-
 Net increase in cash and cash equivalent	18,971,120	(6,539,873)
Cash and cash equivalent at beginning of the year	6,362,067	12,901,940
Cash and cash equivalent at end of the year	25,333,187	6,362,067

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, 2024

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, L.L. 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 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 judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Income Tax Expense (note 20)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standard, interpretations and amendments to approved published accounting standards that became effective during the year

The following amendments to published standards are mandatory for the financial year beginning on July 1, 2023 and are relevant to the company.

why

(i) **IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes**

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

Impacts on the Company's statement of profit or loss:

'Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
--	---------------------------------------	--

-----Rupees-----

For the year ended June 30, 2024

Minimum tax - levy	-	(906,927)	(906,927)
Final taxes - levy	-	(299,267)	(299,267)
Profit/(loss) before income tax	9,885,702	(1,206,194)	8,679,508
Income Tax Expense	(1,208,729)	1,206,194	(2,535)

For the year ended June 30, 2023

Minimum tax - levy	-	(501,140)	(501,140)
Final taxes - levy	-	(148,647)	(148,647)
Profit/(loss) before income tax	(9,724,221)	(649,787)	(10,374,008)
Income Tax Expense	(649,787)	649,787	-

(ii) **Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments'**

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful accounting policy information that user need to understand other information in the financial statements.

- (iii) In addition to the amendments mentioned above, there were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or to have any significant impact on the company's financial reporting and therefore have not been disclosed in these financial statements.

why

b) **Standard, interpretations and amendments to approved published accounting standards that are not yet effective**

Following are the amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024.

Description effective for periods		Effective for periods
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2024
IFRS 16	Leases (Amendments)	January 01, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026

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, 2024:

- IFRS 1 First Time Adoption of International Financial Reporting Standards)
- IFRIC 12 Service Concession Arrangement
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policy Information

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

why

3.1.1 Current Tax

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking into 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.

3.1.2 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 of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The company recognizes deferred tax assets 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 Minimum Taxes levy

Any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes", is then recognised as a levy falling under the scope of IFRIC 21/IAS 37. Hence, any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes" should be classified as Minimum Taxes levy and not income tax in the profit and loss account.

3.3 Final Taxes levy

Any final taxes paid which is not based on the taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37. Hence, Final tax paid should be classified as Final Taxes levy and not income tax in the profit and loss account.

3.4 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 Reducing Balance 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.

3.5 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.

3.5.1 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.

3.5.2 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).

3.6 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.

3.7 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.

3.8 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.

3.9 Revenue recognition

Brokerage Commission, corporate finance income and other 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 and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

Mark-up income from investment in margin financing system is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

3.10 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.

3.11 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.

why

3.12 Financial Instruments

3.12.1 Financial Assets

3.12.2 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:

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.

Financial assets at "Fair value through other comprehensive income"

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

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 or,

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.

Financial assets at "Fair value through profit or loss"

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.

3.12.3 Subsequent measurement

Debt investments at "Fair value through other comprehensive income"

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 "Fair value through other comprehensive income"

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 "Fair value through profit or loss"

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.

3.12.4 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.

3.12.5 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.

3.12.6 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.

3.12.7 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.

why

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.

3.13 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 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.

why

4. PROPERTY AND EQUIPMENT

	2024					
	New Building	Office Equipment	Furniture and fixtures	Computers	Motor Vehicle	Total
	(Rupees)					
As at July 01, 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 beginning of the year	-	830,494	-	285,047	520,920	1,636,461
Changes during the year						
Additions	-	-	-	65,000	-	65,000
Disposals - cost	-	-	-	-	(1,836,366)	(1,836,366)
Depreciation charge for the year	-	(83,049)	-	(108,366)	-	(191,415)
Disposals - Accumulated depreciation	-	-	-	-	1,315,446	1,315,446
Net book value at the end of the year	-	747,445	-	241,681	-	989,126
Analysis of net book value						
As at June 30, 2024						
Cost	-	3,667,791	203,292	3,531,869	-	7,402,952
Accumulated depreciation and impairment	-	(2,920,346)	(203,292)	(3,290,188)	-	(6,413,826)
Net book value at the end of the year	-	747,445	-	241,681	-	989,126
Depreciation rate (% per annum)		10%	10%	33%	20%	
	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, 2022						
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%	

why

5. INTANGIBLE ASSETS

	2024		
	Booth at PSX	TREC - PSX Note 5.1	Total
	(Rupees)		
As at July 01, 2023			
Cost	1,100,000	2,500,000	3,600,000
Accumulated amortization			-
Net book value at the beginning of the year	1,100,000	2,500,000	3,600,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Amortization for the year	-	-	-
Disposals - Accumulated amortization	-	-	-
Net book value at the end of the year	1,100,000	2,500,000	3,600,000
Analysis of Net Book Value			
Cost	1,100,000	5,000,000	6,100,000
Accumulated amortization	-	(2,500,000)	(2,500,000)
Net book value as at June 30, 2024	1,100,000	2,500,000	3,600,000
Rate of amortization per annum (%)			
	2023		
	Booth at PSX	TREC - PSX Note 5.1	Total
	(Rupees)		
As at July 01, 2022			
Cost	1,100,000	2,500,000	3,600,000
Accumulated amortization			-
Net book value at the beginning of the year	1,100,000	2,500,000	3,600,000
Addition during the year	-	-	-
Disposals - cost	-	-	-
Amortization for the year	-	-	-
Disposals - Accumulated amortization	-	-	-
Net book value at the end of the year	1,100,000	2,500,000	3,600,000
Analysis of Net Book Value			
Cost	1,100,000	5,000,000	6,100,000
Accumulated amortization	-	(2,500,000)	(2,500,000)
Net book value as at June 30, 2023	1,100,000	2,500,000	3,600,000
Rate of amortization per annum (%)			

- 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.

		2024 (Rupees)	2023 (Rupees)
6. INVESTMENT - AT FAIR VALUE THROUGH OCI			
Investment in shares of Pakistan Stock Exchange	6.1.	13,850,096	8,000,836

- 6.1. This represents 1,081,194 (2023: 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
- National Clearing Company Pakistan Limited
- Others

100,000	100,000
1,200,000	1,200,000
2,000	2,000
1,302,000	1,302,000

8. TRADE DEBTS

Trade debts

8.2.

less: Expected credit loss

8.1.

5,521,908	2,301,717
(500,000)	(500,000)
5,021,908	1,801,717

8.2. Loss Allowance

Past due 1 - 30 days

Past due 31 - 180 days

Past due 181 days - 1 year

More than one year

3,313,889	485,311
1,687,078	1,211,808
116,482	228,123
404,460	376,475
5,521,908	2,301,717

8.1. Provision for expected credit loss

Opening

Provision recorded during the year

Less: Write off during the year

500,000	500,000
-	-
-	-
500,000	500,000

8.3. 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	
Alvina Ashraf	493	493	-	-	-	-	493
	493	493	-	-	-	-	493

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	
Alvina Ashraf	493	493	-	-	-	-	493
	493	493	-	-	-	-	493

2024
(Rupees)

2023
(Rupees)

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

Investment in quoted securities

9.1.

Investment in Mutual funds

25,674,282	13,756,028
1,101	2,322,457
25,675,383	16,078,485

- 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 11,235,232 against Base Minimum Capital and National Clearing Company Pakistan Limited amounting to Rs 14,439,050 against Ready RMS and Future Contract.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Income tax refundable	7,705,701	7,508,181
NCCPL's Exposure deposit	22,000,000	14,900,000
NCCPL's Profit and loss deposit	698,047	484,585
Base Minimum Capital Deposit	2,410,000	910,000
Advance to staff	71,004	171,504
Advance against purchase of office	-	12,500,000
Others	-	79,377
	<u>32,884,752</u>	<u>36,553,647</u>

11. CASH AND BANK BALANCES

Cash in hand	11,110	43,250
Cash at bank - Current	25,322,077	6,318,817
- Saving	-	-
	<u>25,333,187</u>	<u>6,362,067</u>

- 11.1. Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 24.733 million (2023: 3.631).

12. SHARE CAPITAL

12.1. Authorized share capital

Authorized share capital comprises of 30,000,000 (2023: 30,000,000) Ordinary shares of Rs. 10 each.

12.2. Issued, subscribed and paid up capital

	2024 (Rupees)	2023 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	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:

2024 (Numbers)	2023 (Numbers)		2024 (Rupees)	2023 (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

	2024 (Numbers)	2023 (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>

		2024 (Rupees)	2023 (Rupees)
13. TRADE AND OTHER PAYABLE			
Credit balances of clients	13.1.	22,742,703	3,631,246
Sales tax payable		177,812	232,830
Other Payable		272,964	657,042
Audit Fee Payable		264,000	240,000
Accrued Expenses		333,551	234,906
		<u>23,791,030</u>	<u>4,996,024</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, 2024.

15. REVENUE FROM CONTRACT WITH CUSTOMERS

Brokerage Income- gross	19,256,014	11,553,290
Sales tax	(2,215,294)	(1,329,116)
	<u>17,040,720</u>	<u>10,224,174</u>

16. OPERATING AND OTHER EXPENSES

Salaries, allowances and other benefits	11,534,981	11,987,191
Communication	344,314	317,894
Printing & Stationary	63,072	63,104
Utilities	607,253	758,289
Repair and maintenance	1,821,010	39,970
Rent, rates and taxes	1,647,273	1,766,897
Transaction Charges	1,876,995	1,389,598
Entertainment	115,491	144,540
Fees & subscription	312,353	183,484
Auditor's remuneration	264,000	240,000
Depreciation	191,415	194,712
Software	1,380,543	1,218,148
Bank charges	23,285	25,257
Traveling and Conveyance	161,880	152,355
Loss on disposal of property and equipment	416,152	-
Trade debts and advance to staff written off	199,249	-
Miscellaneous	434,939	308,645
	<u>21,394,205</u>	<u>18,790,084</u>

16.1. Auditor's remuneration

Annual audit fee	264,000	240,000
	<u>264,000</u>	<u>240,000</u>

17. OTHER INCOME

Capital Gain/(Loss) on Investment at FVTPL	11,251,054	(3,865,778)
Income from dividend	653,156	990,980
Profit on margin deposit	2,500,888	1,715,154
Profit on Bank Deposits	-	917
Other income	2,000	416
	<u>14,407,098</u>	<u>(1,158,311)</u>

18. MINIMUM TAX - LEVY

This represents portion of minimum tax paid as per Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

19. FINAL TAX - LEVY

This represents portion of final taxes paid as per Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

20. INCOME TAX EXPENSE

Income Tax Expense

2,535

20.1 Major components of income tax expense are a under:

Current tax expense

2,535

Prior tax expense

-

2,535

20.2. 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. 3.730 million (2023: 3.783 million) has not been recorded.

20.3. Relationship between tax expense and accounting profit

2024

2023

(Rupees)

(Rupees)

Accounting profit/(loss) before income tax, minimum tax differential and final tax

9,885,702

(9,724,221)

less: Accounting Profit/(loss) subject to minimum tax levy

(10,109,831)

-

less: Accounting Profit/(loss) subject to final tax levy

1,646,911

2,874,798

Accounting profit/(loss) before taxation

1,422,782

(6,849,423)

Tax at the applicable rate 29% (2023:29%)

412,607

(1,986,333)

Deferred tax asset not recognized

1,330

1,986,333

Permanent difference

(411,402)

-

2,535

20.4. Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

Current tax liability for the year as per applicable tax laws

1,208,729

649,787

Portion of current tax liability as per tax laws, representing income tax under IAS 12

(2,535)

-

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37

(1,206,194)

(649,787)

Difference

-

-

21. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

21.1. Financial instrument by category

21.1.1 Financial assets

	2024			
	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	-	13,850,096	-	13,850,096
Investment at FV-P&L	25,675,383	-	-	25,675,383
Trade debts	-	-	5,021,908	5,021,908
prepayments	-	-	32,884,752	32,884,752
Bank balances	-	-	25,333,187	25,333,187
	<u>25,675,383</u>	<u>13,850,096</u>	<u>64,541,847</u>	<u>104,067,326</u>

	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>

21.1.2 Financial Liabilities at amortized cost

	2024	
	Amount	Total
Trade and other Payables	23,791,030	23,791,030
	<u>23,791,030</u>	<u>23,791,030</u>

	2023	
	Amount	Total
Trade and other Payables	4,996,024	4,996,024
	<u>4,996,024</u>	<u>4,996,024</u>

21.2. 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:

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Credit risk
Liquidity risk
Market risk
Operational risk

21.2.1 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:

	2024	2023
	<i>Rupees</i>	
Long Term deposit	1,302,000	1,302,000
Investment at fair value through OCI	13,850,096	8,000,836
Investment at fair value through P&L	25,675,383	16,078,485
Advances, deposits prepayments and other receivables	25,179,051	29,045,466
Trade debts	5,021,908	1,801,717
Bank Balances	25,322,077	6,318,817
	<u>96,350,515</u>	<u>62,547,321</u>

21.2.2 Bank Balances

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

	2024	2023
	<i>Rupees</i>	
AAA	418,704	426,471
AA+	553	700,789
AA-	24,902,821	301,632
A+	-	4,889,925
	<u>25,322,077</u>	<u>6,318,817</u>

The credit rating agency are PACRA and JCR-VIS.

21.2.3 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.

why

		2024		
	carrying amount	contractual cash flows	up to one year	one to two years
Financial Liabilities				
Trade and other payables	23,791,030	23,791,030	23,791,030	-
	<u>23,791,030</u>	<u>23,791,030</u>	<u>23,791,030</u>	

		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>	

On the balance sheet date, the company has cash and bank balances of Rs. 24.333 Million (2023: 6.362 million) and investments of Rs 39.525 million (2023: 24.079 million) for repayment of liabilities.

21.2.4 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:

uhy

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2024	2,567,538	(2,567,538)
as at 30th June 2023	1,607,849	(1,607,849)

21.3 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:

	2024		
	Level 1	Level 2	Level 3
	(Rupees)		
Investment in quoted securities	39,524,378		
Investment in Mutual funds	1,101	-	-
	39,525,479	-	-
	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	-	-

21.4 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.

22. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	837,000	1,108,500	1,596,000	2,322,000	3,951,000	3,221,250
Bonus	-	-	-	-	-	-
	837,000	1,108,500	1,596,000	2,322,000	3,951,000	3,221,250
Number of persons (including those who worked part of the year)	1	1	1	1	1	2

why

23. 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	2024 (Rupees)	2023 (Rupees)
Nasir Muqet	Shareholder/CEO	Receivable / (Payable)	(98,121)	(4,000)
Nasir Muqet	Shareholder/CEO	Remuneration	837,000	787,000
Muhammad Shakeel	Shareholder/Director	Receivable / (Payable)	(1,212,637)	(157,121)
Muhammad Shakeel	Shareholder/Director	Remuneration	1,108,500	1,008,500
Ashraf Bava	Shareholder/Director	Receivable / (Payable)	(1,179)	(1,179)
Ishad-Ul-Haq	Shareholder	Receivable / (Payable)	-	113,670
Ishad-Ul-Haq	Shareholder	Remuneration	434,500	1,857,000
Nadia Shakeel	Spouse of Director	Receivable / (Payable)	(13)	(18,336)
Alvina Ashraf	Spouse of Director	Receivable / (Payable)	493	(345)
Alvina Ashraf	Spouse of Director	Remuneration	600,000	-

24. NUMBER OF EMPLOYEES

	2024 (Numbers)	2023 (Numbers)
Total employees of the Company at the year end	10	9
Average employees of the Company during the year	9	9

25. CAPITAL ADEQUACY LEVEL

Total Assets	108,656,452	75,335,213
Less: Total Liabilities	(23,791,030)	(4,996,024)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	84,865,422	70,339,189

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 2024 determined by Pakistan Stock Exchange has been considered.

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26 LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	989,126	989,126	-
1.2	Intangible Assets	3,600,000	3,600,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt Securities	1,101	55	1,046
1.5	Investment in Equity Securities (listed)	39,524,378	27,251,185	12,273,193
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	3,710,000	3,710,000	-
1.9	Margin deposits with exchange and clearing house.	22,000,000	-	22,000,000
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	71,004	71,004	-
	(ii) Advance tax	7,705,701	7,705,701	-
	(iii) Other cases	-	-	-
1.16	Receivables from clearing house or securities exchange(s)	698,047	-	698,047
1.17	Receivables from customers			
	i. Trade receivables not more than 5 days overdue	2,801,352	-	2,801,352
	ii. Trade receivables are overdue, or 5 days or more	2,720,063	2,469,769	250,294
	iii. Trade receivables from related parties.	493	493	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	589,125	-	589,125
	ii. Bank balance-customer accounts	24,732,952	-	24,732,952
	iii. Cash in hand	11,110	-	11,110
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
Total Assets		109,156,452		63,357,119
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	22,742,703	-	22,742,703
2.2	Current Liabilities			
	i. Accruals and other payables	1,048,327	-	1,048,327
2.3	Non-Current Liabilities			
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilities		23,791,030		23,791,030

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	-	2,437,683	2,437,683
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-
Total Ranking Liabilities		-	-	2,437,683
Grand Total		85,365,422	-	37,128,406

27 OTHER DISCLOSURES UNDER REGULATION OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

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

27.1 Pattern of Shareholding

	2024	2023	2024	2023
	% 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

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

27.3 As at June 30, 2024, neither company's securities pledged with financial institutions, nor customer securities maintained with the company pledged with financial institutions.

27.4 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 382.211 million (June 30, 2023: Rs. 350.723 million).

27.5 Company prepares these financial statements on the settlement date basis and accordingly account for income, assets and liabilities

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28. **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.

29. **DATE OF AUTHORIZATION**

These financial statements were approved by the Company's board of directors and authorised for issue on 05 OCT 2024

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Chief Executive

Director