



**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**DIRECTORS REPORT FY 2023-2024**

The Directors of M/S Margalla Financial (Pvt) Limited feel pleasure in presenting the report for the financial year 2023-24. The annual accounts for the financial year 2023-24 have been audited by the company's auditors M/S Nadeem Safdar & Co. Chartered Accountants.

That M/s Margalla Financial (Pvt) limited having its registered office in Islamabad was incorporated on 3<sup>rd</sup> Day of June 2014 vide registration no. 0088604 and is engaged in the business of capital markets.

**FINANCIAL HIGHLIGHTS**

The salient highlights of the profit and loss accounts for the FY 2023-2024 are given below:

	FY 2023-24
Revenue	8,448,989
Expenditure	898,485
Profit/(Loss) for the year before Taxation	7,550,504
Profit/(Loss) for the year after Taxation	6,670,308

**NET EARNINGS/LOSS PER SHARE**

The net Profit per share was Rs. 66.70

**BOARD OF DIRECTORS**

There are two directors of the company namely

Mr. Abdul Ahad Khan                      Chief Executive/Director  
Mr. Abdul Azeem Khan                    Director

## **AUTHORIZED CAPITAL**

The authorized capital of the company remained PKR 10,000,000/- divided in 100,000 ordinary shares of Rs. 100/- and issued, subscribed and paid up capital is Rs.10,000,000 Divided into 100,000 shares of Rs. 100 each. The Shareholding of the company in this regard is as follows:

## **PATTERN OF SHAREHOLDING**

Pattern of shareholding is as follows:

Name of Shareholder	Shareholding		Total Shares Held
	From	To	
Abdul Ahad Khan	1	90,000	90,000
Abdul Azeem Khan	90,001	95,000	5,000
Abdul Aziz Khan	95,001	100,000	5,000
Total			100,000

## **ANNUAL GENERAL MEETING**

Annual General Meeting of the company was held on December 20, 2024 and following directors were present at the time of AGM.

<b>Name of Director</b>	<b>Designation</b>	<b>Attendance</b>
Mr. Abdul Ahad Khan	Chief Executive	Yes
Mr. Abdul Azeem Khan	Director	Yes

## **APPOINTMENT OF AUDITORS**

That present auditors M/s Nadeem Safdar & Co Chartered Accountants, auditors of the company for the FY 2023-24 have been retired and Nadeem Safdar & Co. Chartered Accountants have been reappointed for the FY 2024-25.

## **ACKNOWLEDGEMENT**

The Directors wish to place on record their gratitude to the regulators, its bankers, member and clients for their continued cooperation and support. Furthermore, the directors appreciate the valuable, loyal, and commendable services rendered to the company by its employees.

In conclusion, we pray to Almighty Allah for his blessing, guidance, health and prosperity to us, our company, country and nation.

Abdul Ahad Khan  
CEO

Abdul Azeem Khan  
Director

**MARGALLA FINANCIAL (PRIVATE) LIMITED  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

## **INDEPENDENT AUDITORS' REPORT**

### **To the members of Margalla Financial (Private) Limited Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Margalla Financial (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 comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### Other matter

The financial statements of the Company for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on February 16, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Safdar, FCA.

*Nadeem Safdar & Co.*

Chartered Accountants

Place: Islamabad

UDIN: AR202410594QUTxdnqO1

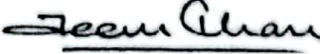
Dated: 20 DEC 2024

**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	<u>Note</u>	<u>2024</u> (Rupees)	<u>2023</u> (Rupees)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	4,460	4,460
Intangible assets	5	2,500,000	2,500,000
Long term investment	6	63,969,432	62,270,054
Long term advances and deposits	7	-	100,000
		<b>66,473,892</b>	<b>64,874,514</b>
<b>Current assets</b>			
Short term investment	8	10,204,190	6,752,570
Advances and other receivables	9	10,014,395	7,530,438
Cash and bank balances	10	1,290,842	329,657
		<b>21,509,427</b>	<b>14,612,666</b>
<b>Total assets</b>		<b>87,983,319</b>	<b>79,487,180</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>	11.1	10,000,000	10,000,000
Issued, subscribed and paid-up capital	11.2	10,000,000	10,000,000
<i>Reserves</i>			
Un-appropriated profit		7,680,319	1,010,011
Deposit for shares issue		25,000,000	25,000,000
Unrealised gain on remeasurement FVTOCI investments		33,623,402	31,924,024
Unrealised gain on initial measurement of available for sale investment		11,346,030	11,346,030
		<b>77,649,751</b>	<b>69,280,065</b>
<b>Total equity</b>		<b>87,649,751</b>	<b>79,280,065</b>
<b>Current liabilities</b>			
Accrued and other payables	12	333,568	207,115
<b>Total equity and liabilities</b>		<b>87,983,319</b>	<b>79,487,180</b>
<b>Contingencies and commitments</b>	13		

The annexed notes, from 1 to 25, form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**

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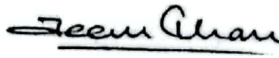
**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		(Rupees)	(Rupees)
Revenue	14	8,448,989	589,247
Operating expenses	15	<u>(898,485)</u>	<u>(792,331)</u>
Profit/(loss) before taxation		7,550,504	(203,084)
Taxation	16	(880,196)	(335,165)
Profit/ (loss) after taxation		<u><u>6,670,308</u></u>	<u><u>(538,249)</u></u>

*The annexed notes, from 1 to 25, form an integral part of these financial statements.*

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Chief Executive Officer

  
Director



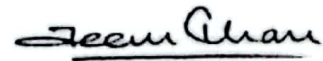
**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Note</u>	<u>2024</u> (Rupees)	<u>2023</u> (Rupees)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		6,670,308	(538,249)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Unrealized gain on re-measurement of investments at fair value through other comprehensive income		1,699,378	9,285,886
Other comprehensive income for the year		1,699,378	9,285,886
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>8,369,686</b>	<b>8,747,637</b>

*The annexed notes, from 1 to 25, form an integral part of these financial statements.*

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**Chief Executive Officer**

  
**Director**

**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Issued subscribed and paid up capital	Un-appropriated profit/(loss)	Share deposit money	Unrealized gain on re-measurement of investments measured at FVTOCI	Un-realised gain on Available For Sale Investment	Total
<b>( R U P E E S )</b>						
Balance as at July 01, 2022	10,000,000	1,548,260	25,000,000	22,638,138	11,346,030	70,532,428
Total comprehensive income for the year ended June 30, 2024						
- Loss for the year	-	(538,249)	-	9,285,886	-	-
- Other comprehensive income						
Balance as at June 30, 2023	10,000,000	1,010,011	25,000,000	31,924,024	11,346,030	79,280,065
Balance as at July 01, 2023	10,000,000	1,010,011	25,000,000	31,924,024	11,346,030	79,280,065
Total comprehensive income for the year ended June 30, 2024						
- Profit for the year	-	6,670,308	-	1,699,378	-	-
- Other comprehensive income						
Balance as at June 30, 2024	10,000,000	7,680,319	25,000,000	33,623,402	11,346,030	87,649,751

The annexed notes, from 1 to 25, form an integral part of these financial statements.

*Mudhan*  
 Chief Executive Officer

*Jeenu Khan*  
 Director

**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 (Rupees)	2023 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) for the year before taxation		7,550,504	(203,084)
Adjustments for non-cash charges and other items			
Realised (gain ) on investment	14	(1,885,963)	(41,054)
Unrealised (gain )/ loss on investment	14	(1,938,118)	1,712,946
Cash flows before working capital changes		3,726,423	1,468,808
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Advances and other receivables		(2,483,957)	(248,821)
<b>Increase / (decrease) in current liabilities:</b>			
Accrued and other payables		126,453	76,973
		(2,357,504)	(121,848)
Cash generated from operations		1,368,919	1,346,960
Taxes paid		(880,196)	(335,156)
<b>Net cash inflow from operating activities</b>		<b>488,723</b>	<b>1,011,804</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Long term advances and deposits		100,000	-
Investment in marketable securities		372,462	(1,235,990)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>472,462</b>	<b>(1,235,990)</b>
<b>Net cash increase/(decrease) in cash and cash equivalents</b>		<b>961,185</b>	<b>(224,186)</b>
<b>Cash and cash equivalent at the beginning of the year</b>		<b>329,657</b>	<b>553,843</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>10</b>	<b>1,290,842</b>	<b>329,657</b>

*The annexed notes, from 1 to 25, form an integral part of these financial statements.*

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**Chief Executive Officer**

  
**Director**

**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**1 Corporate and general information**

**1.1 Legal status and operations**

Margalla Financial (Private) Limited (the Company) is a private company limited by shares and incorporated in Pakistan under the Companies Ordinance 1984 (Repealed with the enactment of the Companies Act, 2017) on June 03, 2014. The registered office of the company is located at house no.172, street no. 20, sector G-10/2 Islamabad.

The company is primarily engaged in the business of stock, brokerage, investment advisory-consultancy, portfolio management and in secondary capital market operations. It is also actively taking part in the Initial Public Offerings (IPO's) and providing all relative services to the general public to promote investment.

**1.2 Summary of significant events and transactions in the current reporting period**

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Increase in long term investment by an amount of Rs. 1.6 million which is due to unrealised gain.
- Increase in short term investment by an amount of Rs. 3.4 million is due to realised and unrealised gain on marketable securities.
- Increase in advances and other receivables by an amount of Rs. 2.4 million is mainly due to advance provided to director.
- Increase in revenue by an amount of Rs. 7.8 million is due to increase in dividend income and realised and unrealised gain on marketable securities.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupee, unless otherwise stated.

**2.4 Key judgments and estimates**

The preparation of financial statements in conformity with the accounting and financial reporting standards requires the management to make judgments, estimates and assumptions that affect the reporting amounts of assets and liability, income and expenses. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised.

- i) Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.1 & 4
- ii) Useful lives, residual values and amortization method of intangible assets - Note 3.2 & 5
- iii) Current income tax expense, provision for current tax - Note 3.6 & 16

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**2.5 Changes in accounting standards, interpretations and pronouncements**

*Standards, amendments to published standards and interpretations that are effective during the current year:*

Certain standards, amendments and interpretations to IFRS are effective during the year but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

*Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:*

	<b>Effective date annual reporting periods beginning on or after</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' -Supplier finance arrangements	January 1, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' -Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 1, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 1, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 1, 2025
IFRS 17 Insurance Contracts	January 1, 2026

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property and equipment**

*Cost*

Operating fixed assets are stated at cost less accumulated depreciation.

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 the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the year / period in which they are incurred.

*Depreciation*

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method at rates specified in note 4 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the asset is available for use.

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

*Derecognition*

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

*Impairment*

The carrying values of the company's assets are reviewed on regular basis to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss.

**3.2 Intangible assets**

*Measurement*

Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 5 to the financial statements.

*Judgment and estimates*

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

**3.3 Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statements comprise of cash in hand and bank balances.

**3.4 Financial Instruments**

*Initial Recognition*

All Financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or receive. These are subsequently measured at fair value, amortised cost or cost as the case may be.

*Classification of financial assets:*

The company classifies its financial instruments in the following categories

- at Amortized Cost
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVTPL)

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

*Financial assets that meet the following conditions are subsequently measured at amortised cost:*

- The financial asset is held with a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets that meet the following conditions are subsequently measured at FVTOCI:*

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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*Classification of financial liabilities:*

The company classifies its financial instruments in the following categories

- At fair value through profit and loss (FVTPL)
- At amortized cost

The financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

*Subsequent Measurement*

Financial assets at Fair value through other comprehensive income FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transactions costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income/ (loss).

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the statements of profit or loss and other comprehensive income. Realised and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

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

*De-recognition*

*Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of a financial assets measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

*Financial liabilities*

The Company derecognises financial liabilities when its obligation under the financial liabilities are discharged, cancelled or expired or when the financial liability's cash flows have been substantially modified.

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### **3.5 Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

### **3.6 Taxation**

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate.

#### *Current tax*

Current tax is the expected tax payable on the taxable income for the year, calculated using the rates enacted or substantively enacted by the end of the reporting period. The company's current tax provision is determined based on tax deducted at source and tax on dividend income, as the company's income falls under the minimum tax and final tax regimes. The calculation of current tax also considers any applicable tax credits and rebates, and includes adjustments to income tax payable or recoverable in respect of previous years.

### **3.7 Investment at fair value through profit or loss**

These include investments classified as held for trading or upon initial recognition it is designated by the Company as at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in income currently. Fair value of investments is their quoted bid price at the statement of financial position date. Transaction costs are charged to income currently.

### **3.8 Investments at fair value through other comprehensive Income (FVOCI)**

Investments classified as fair value through other comprehensive income (FVOCI) include equity instruments that the company has irrevocably elected to present subsequent changes in fair value in other comprehensive income, rather than through profit or loss, upon initial recognition.

These investments are initially recognized at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value, with changes in fair value recognized directly in other comprehensive income, except for:

Dividend income, which is recognized in profit or loss in accordance with the entity's policy for revenue recognition.

Impairment losses, if any, and foreign exchange gains and losses, which are recognized in profit or loss.

Upon disposal of an equity instrument classified as FVOCI, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified to profit or loss but is transferred directly to retained earnings.

The classification and measurement of FVOCI investments are reviewed periodically to ensure compliance with the applicable financial reporting framework.

### **3.9 Settlement date accounting**

All "regular way" purchases and sales of financial assets are recognized on settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

### **3.10 Provisions and contingent liabilities**

#### *Provisions*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

*Contingent liabilities*

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**3.11 Revenue Recognition**

Revenue arising from sales / purchase of securities is recognized on the date of settlement of the transaction.

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

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**4 Property and equipment**

	<u>Note</u>	<u>Computers and accessories (Rupees)</u>	<u>Total (Rupees)</u>
<b>Cost</b>			
Balance as at July 01, 2022		44,600	44,600
Balance as at June 30, 2023		44,600	44,600
Balance as at June 30, 2024		<u>44,600</u>	<u>44,600</u>
<b>Depreciation</b>			
Balance as at July 01, 2022		40,140	40,140
Balance as at June 30, 2023		40,140	40,140
Balance as at June 30, 2024		<u>40,140</u>	<u>40,140</u>
<b>Carrying value</b>			
Carrying value as at June 30, 2023		4,460	4,460
Carrying value as at June 30, 2024		<u>4,460</u>	<u>4,460</u>

4.1 The management has determined that the residual value of the computer and accessories is set at PKR 4,460.

	<u>Note</u>	<u>2024 (Rupees)</u>	<u>2023 (Rupees)</u>
<b>5 Intangible assets</b>			
Trading right entitlement certificate	5.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

5.1 These represent Trading Right Entitlement Certificate (TREC) received from Islamabad Stock Exchange Limited (ISE) in accordance with the requirement of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 (The Act). The Board of Directors of PSX has implemented the requirement of the creating charge/hypothecation on TREC. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.

	<u>Note</u>	<u>2024 (Rupees)</u>	<u>2023 (Rupees)</u>
<b>6 Long term investment</b>			
<i>At fair value through other comprehensive income</i>			
Shares in ISE Towers REIT	6.1	63,969,432	62,270,054

6.1 These represent the shares received from ISE Towers REIT Management Limited (Formerly Islamabad Stock Exchange Limited (ISE) in pursuance of corporatization and demutualization of ISE as public company limited by shares in accordance with the requirement of the Stock Exchanges (Corporatization, Demutualization and Integration Act, 2012 (the Act). In addition, the company has also received Trading Right Entitlement Certificate (TREC) from ISE which now has become TREC of Pakistan Stock Exchange Limited after Integration of the Stock Exchanges.

6.2 Accordingly, the company has been allotted 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The company has received 40% equity shares i.e. 1,213,841 shares of ISE. The remaining 60% i.e. 1,820,762 shares are transferred to CDC sub-account in company's name and are pledged with PSX's participant IDs to maintain the Base Minimum Capital "BMC", which will remain blocked until these are divested to strategic investor's, general public and financial institutions.

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
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6.3 In the absence of an active market for these shares, the company has taken/ valued them at Rs. 21.08/share as per audited financials of 2024 of ISE REIT Management Company Limited, which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. The fact indicates an acceptable level for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investor's interest.

	<u>Note</u>	<u>2024</u> (Rupees)	<u>2023</u> (Rupees)
<b>6.4 Reconciliation of gain / (loss) on re-measurement of long term investments as of the reporting date</b>			
Cost of investment		30,346,030	30,346,030
<b>Unrealised gain / (loss):</b>			
Balance as at July 01		31,924,024	22,638,138
Unrealized gain on remeasurement of investment		1,699,378	9,285,886
		<u>33,623,402</u>	<u>31,924,024</u>
Balance as at June 30		<u>63,969,432</u>	<u>62,270,054</u>
<b>7 Long term advances and deposits</b>			
CDC deposit		-	100,000
<b>8 Investment in marketable securities</b>			
<i>At fair value through profit or loss</i>			
Investment in marketable securities		<u>10,204,190</u>	<u>6,752,570</u>
		<u>10,204,190</u>	<u>6,752,570</u>
<b>9 Advances and other receivables</b>			
Income tax refundable		4,155	4,155
Due from director	9.1	9,788,934	7,288,934
E-Clear Services Ltd		221,306	237,349
		<u>10,014,395</u>	<u>7,530,438</u>
<b>9.1 Due from director</b>			
Balance at beginning of the year		7,288,934	7,088,934
Additions during the year		2,500,000	200,000
Blance at end of the year	9.2	<u>9,788,934</u>	<u>7,288,934</u>
9.2 This represents amount advanced to Mr. Abdul Ahad Khan. The advance is interest free and payable on demand. The entire amount of the advance is considered good.			

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**10 Cash and bank balances**

Cash at banks - current account	1,225,029	258,334
Cash in hand	<u>65,813</u>	<u>71,323</u>
	<u><u>1,290,842</u></u>	<u><u>329,657</u></u>

**11 Share capital**

**11.1 Authorized capital**

2024	2023			
(Numbers)				
<u>100,000</u>	<u>100,000</u>	Ordinary shares of Rs. 100/- each.	<u>10,000,000</u>	<u>10,000,000</u>

**11.2 Issued, subscribed and paid up capital**

The breakup of ordinary share capital is as follows:

2024	2023			
(Numbers)				
<u>100,000</u>	<u>100,000</u>	Ordinary shares of Rs. 100/- each.	<u>10,000,000</u>	<u>10,000,000</u>
<u>100,000</u>	<u>100,000</u>	Fully paid in cash	<u>10,000,000</u>	<u>10,000,000</u>

**11.3 Reconciliation of number of shares outstanding**

**Ordinary shares**

Number of shares outstanding at the beginning of the year	-	-
Number of shares outstanding at the end of the year	<u>-</u>	<u>-</u>

11.4 The Company has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the company's residual assets.

	Note	2024 (Rupees)	2023 (Rupees)
<b>12 Accrued and other payables</b>			
Audit fee payable		125,000	120,000
Accrued expenses		162,121	87,215
CGT payable		<u>46,447</u>	<u>-</u>
		<u><u>333,568</u></u>	<u><u>207,215</u></u>

**13 Contingencies and commitments**

The company has pledged/hypothecated TRE certificate of Pakistan Stock Exchange Limited (PSX) and 1,820,762 Ordinary shares of ISE Towers REIT management limited with PSX in compliance with Base Minimum Capital (BMC) requirement under regulation 2.1 of the Regulations Governing Risk Management of the Pakistan Stock Exchange Limited (PSX).

There are no commitments made by the company as at June 30, 2024 (2023: Nil)

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
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	<u>Note</u>	<u>2024</u>	<u>2023</u>
		(Rupees)	(Rupees)
<b>14 Revenue</b>			
Dividend income		4,544,188	2,237,732
Gain on investment in marketable securities		1,885,964	41,054
NCCPL profit on deposit		-	23,407
Un-realised gain / (loss) on marketable securities		1,938,118	(1,712,946)
Profit on EClear services limited account		80,719	-
		<u>8,448,989</u>	<u>589,247</u>
<b>15 Administrative expenses</b>			
CDC charges		2,051	1,722
NCCPL charges		4,984	5,457
PSX annual fee		10,000	10,000
PSX legal charges		307	74
SECP charges		138,823	205,037
EClear service charges		1,132	1,559
Audit fee		125,000	120,000
Legal and professional charges		120,000	180,000
Annual fee SECP		50,000	50,025
Miscellaneous expenses		170,000	3,500
PSX IT annual charges		133,650	36,852
Internet charges		49,913	73,595
LSEFL back office		92,625	104,510
		<u>898,485</u>	<u>792,331</u>
<b>16 Administrative expenses</b>			
Current tax		<u>880,196</u>	<u>335,165</u>

16.1 The company's current tax provision is determined based on tax deducted at source and tax on dividend income, as the company's income falls under the minimum tax and final tax regimes.

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
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**17 Financial instruments by category**

As at June 30, 2024			
Amortized cost	Fair value through other comprehensive income	Fair value through profit / (loss)	Total
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long term investment	-	63,969,432	-
	-	63,969,432	-
<b>Current assets</b>			
Short-term investments	-	-	10,204,190
Advances and other receivables	10,014,395	-	-
Cash and bank balances	1,290,842	-	-
	11,305,237	-	10,204,190
			21,509,427
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued and other payables	333,568	-	-
	333,568	-	-
<b>As at June 30, 2023</b>			
Amortized cost	Fair value through other comprehensive income	Fair value through profit / (loss)	Total
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term deposits	100,000	-	-
Long term investment	-	62,270,054	-
	100,000	62,270,054	-
<b>Current assets</b>			
Short-term investments	-	-	6,752,570
Advances and other receivables	7,530,438	-	-
Cash and bank balances	329,657	-	-
	7,860,096	-	6,752,570
			14,612,666
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued and other payables	207,115	-	-
	207,115	-	-

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18 Capital

18.1 Management of capital

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 and to maintain an optimal capital structure.

18.2 Computation of liquid capital

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>I. Assets</b>				
1.1	Property & Equipment	4,460	4,460	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher..	10,204,190	1,530,629	8,673,562
	ii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	63,969,432	63,969,432	-
	iii. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	-	-	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	10,014,395	-	10,014,395
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc (Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-

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MARGALLA FINANCIAL (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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S. No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
1.14	Amounts receivable against Repo financing Amount paid as purchaser under the REPO agreement <i>(Securities purchased under repo arrangement shall not be included in the investments)</i>	-	-	-
1.15	i. Short Term Loan To Employees - Loans are Secured and Due for repayment within 12 months ii. Receivables other than trade receivables	-	-	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains claims on account of entitlements against trading of securities in all markets including MtM gains	-	-	-
1.17	Receivables from customers	-	-	-
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut <i>l. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SIB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value <i>iv. Balance sheet value</i>	-	-	-
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts <i>v. Lower of net balance sheet value or value determined through adjustments</i>	-	-	-
	<i>vi. 100% haircut in the case of amount receivable from related parties.</i>	-	-	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	1,225,029	-	1,225,029
	ii. Bank balance-customer accounts	-	-	-
	iii. Cash in hand	65,813	-	65,813
1.19	Total Assets	87,983,319	68,004,521	19,978,799
<b>2. Liabilities</b>				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	-	-	-
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	-	-	-
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	333,568	-	333,568

N/A



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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.3	<b>Non-Current Liabilities</b>			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution; Long term portion of financing obtained from a financial institution including amount due against finance lease			
	b. Other long-term financing			
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker; 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	<b>Subordinated Loans</b>	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	<b>Total Liabilities</b>	333,568		333,568
<b>3. Ranking Liabilities Relating to :</b>				
3.1	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to- client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b>			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-

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MARGALLA FINANCIAL (PRIVATE) LIMITED  
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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.3	<b>Net underwriting Commitments</b>			
	(a) <b>In the case of right issues:</b> if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) <b>in any other case:</b> 12.5% of the net underwriting commitments	-	-	-
3.4	<b>Negative equity of subsidiary</b>			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b>			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	<b>Amount Payable under REPO</b>	-	-	-
3.7	<b>Repo adjustment</b>			
	<b>In the case of financier/purchaser</b> the total amount receivable under Repo less the 110% of the market value of underlying securities. <b>In the case of finance/seller</b> the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	<b>Concentrated proprietary positions</b>			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
3.9	<b>Opening Positions in futures and options</b>			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	<b>Short sell positions</b>			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	-
		<b>87,649,751</b>	<b>Liquid Capital</b>	<b>19,645,231</b>

**Calculations Summary of Liquid Capital**

(i) Adjusted value of Assets (serial number 1.19)	19,978,799
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(333,568)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<b>Liquid Capital (Rs) 19,645,231</b>

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**19 Calculation of capital for the purpose of rule 2(d) of Securities and Exchange Rules, 1971**

	Notes	2024 (Rupees)
<b>Current assets</b>		
Cash and bank account balance	19.2	1,290,842
Investment in listed securities in the name of broker	19.3	8,673,562
		<u>9,964,404</u>
<b>Current liabilities</b>		
Other liabilities	19.4	333,568
		<u>333,568</u>
<b>Net capital balance</b>		<u><u>9,630,836</u></u>

19.1 The net capital balance has been prepared on the basis of Securities Exchange Commission (SEC) Rules, 1971, the Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) and guidelines issued by Securities and Exchange Commission of Pakistan.

	Notes	2024 (Rupees)
<b>19.2 Cash and bank account balance</b>		
a- Cash in hand		65,813
b- Bank Balance Pertaining to brokerage house		1,225,029
c- Bank Balance Pertaining to clients		-
		<u>1,290,842</u>
<b>19.3 Investment in listed securities in the name of brokerage house</b>		
Investment at market value		10,204,190
Less: Discount at 15%		(1,530,629)
		<u>8,673,562</u>
<b>19.4 Other liabilities</b>		
Accrued liabilities		333,568
		<u>333,568</u>
<b>20 Capital adequacy</b>		
Total Assets	20.1	87,983,319
Less: Total Liabilities		333,568
Less: Revaluation reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		<u>87,649,751</u>

20.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the Margalla Financial (Private) Limited at year ended June 30, 2024 as determined by Pakistan Stock Exchange has been considered.

**21 Directors remuneration**

No amounts have been charged in these financial statements in relation to the remuneration of the Chief Executive Officer and Directors.

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**MARGALLA FINANCIAL (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**22 Related party transactions and balances**

Related parties comprise subsidiaries, associated companies, companies where directors also hold directorship, retirement benefits and key management personnel. Significant transactions with related parties during the year are as follows:

Name	Relationship	Transactions during the year and year end balances	2024	2023
			(Rupees)	(Rupees)
Abdul Ahad Khan	Director	Balance at year end	9,788,934	7,288,934

22.1 There outstanding balance at the year end of the related parties is mentioned in note 9.1 to the financial statements. The remuneration of key management personnel are mentioned in note 21 to the financial statements.

**23 Events after the reporting date**

There are no subsequent events, either adjusting or non-adjusting, to disclose in relation to the year ended June 30, 2024.

**24 Number of employees**

2024	2023
(Numbers)	
-	-

**25 General and date of authorization**

25.1 Figures have been rounded to the nearest rupees, unless otherwise stated.

25.2 These financial statements were approved and authorized for issue by the Board of Directors of the Company on

**20 DEC 2024**

*NSG*

*Mad Khan*

Chief Executive Officer

*Zeem Khan*

Director