
SOS CAPITAL LIMITED

**Financial Statement
For the year ended June 30, 2024**

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

Suite Nos. M1-M4 & 709-710, Progressive Plaza, Beaumont Road, Karachi - 75530, Pakistan

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Lahore and Islamabad

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOS CAPITAL LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **SOS Capital (Private) Limited** which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, 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 material accounting policy and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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 loss, other comprehensive loss, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report 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. We have nothing to report in this regard.

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Chartered Accountants

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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 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 to design audit procedures that are appropriate in the circumstances, but not for 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 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 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, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the statement of financial position was prepared.
- f) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

Other Matter

In the absent of Chief executive, the financial statement has been signed by acting Chief Executive named Mr. Masood Ali.

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria, Amir Salman Rizwan & Co.
Reanda Haroon Zakaria Amir Salman Rizwan & Company
Chartered Accountants

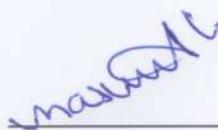
Place: Karachi
Dated: October 28, 2024

SOS CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

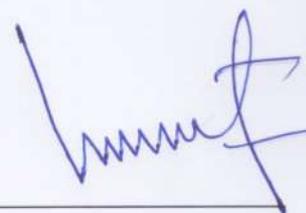
	<i>Note</i>	<i>2024 Rupees</i>
<u>ASSETS</u>		
Non-Current Assets		
Intangible assets	4	2,500,000
Long term deposits	5	400,000
		2,900,000
Current Assets		
Cash and bank	6	76,306,289
		79,206,289
 <u>EQUITY AND LIABILITIES</u>		
Share capital and reserves		
Authorized share capital		
10,000,000 ordinary shares of Rs. 10 each		100,000,000
Issued, subscribed and paid-up share capital	7	80,000,000
Accumulated losses		(881,211)
		79,118,789
Current Liabilities		
Trade and other payables	8	87,500
Contingencies and Commitments		
	9	79,206,289

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

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Chief Executive



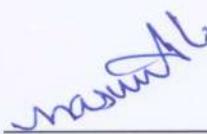
Director

SOS CAPITAL LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

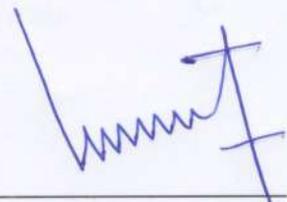
	<i>Note</i>	<i>2024</i> <i>Rupees</i>
Administrative expenses	10	<u>(793,641)</u>
Operating loss		<u>(793,641)</u>
Finance cost	11	(70)
Other Charges	12	<u>(87,500)</u>
Loss before taxation		<u>(881,211)</u>
Taxation		-
Loss after taxation		<u><u>(881,211)</u></u>

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

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Chief Executive



Director

SOS CAPITAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees
Loss after taxation	(881,211)
(Loss) on remeasurement of investments-at fair value through OCI	-
Total comprehensive loss for the year	<u><u>(881,211)</u></u>

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



Chief Executive



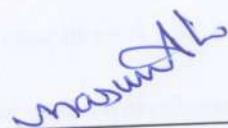
Director

SOS CAPITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	<i>Issued, subscribed & paid-up capital</i>	<i>Unappropriated losses</i>	<i>Total</i>
	----- Rupees -----		
Balance as at June 30, 2023	-	-	-
loss for the year	-	(881,211)	(881,211)
Other comprehensive income			
Loss on remeasurement of investments - at fair value through OCI	-	-	-
Total comprehensive loss for the year	-	(881,211)	(881,211)
Balance as at June 30, 2024	-	(881,211)	(881,211)

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

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 Chief Executive



 Director

SOS CAPITAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

2024
Rupees

A. CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(881,211)
Adjustment for non-cash and other items:	
Finance cost	70
Cash (used in) before working capital changes	(881,141)
Changes in working capital:	
Decrease in current assets	
Increase/ (Decrease) in current liabilities	
Trade and other payables	87,500
	(793,641)
Finance cost paid	(70)
Net cash (used in) from operating activities	(793,711)

B. CASH FLOWS FROM INVESTING ACTIVITIES

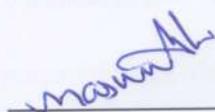
Intangible assets	(2,500,000)
Long term deposits	(400,000)
Net cash used in investing activities	(2,900,000)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Issuance of shares	80,000,000
Net cash generated from investing activities	80,000,000
Net increase in cash and cash equivalents (A+B+C)	76,306,289
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	76,306,289

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

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 Chief Executive



 Director

SOS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

Sos Capital Limited was incorporated in Pakistan on April 17, 2024 as Company limited by shares under the Companies Act, 2017.

The Company is a Trading Right Entitlement Certificate ("TREC") holder of PSX and is principally engaged in brokerage of shares, stocks, securities, commodities & other financial instruments, securities research, financial consultancy and underwriting. The registered office of the Company is situated at Room No. 803, Old Stock Exchange Building, Stock Exchange Road, Karachi.

Registered office Office No.704 & 705, 7th floor. Stock exchange, New building, II Chundrigarh Road, Karachi

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 applicable in Pakistan comprise of:

- Accounting and Financial Reporting Standard for Small-Sized Entities
- Provision of and directives issued under the Companies Act, 2017.

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments to standards and interpretations are effective for the year ended June 30, 2024. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	<i>Effective for period beginning on or after</i>
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies.	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 Amendments to standards and IFRS interpretations that are not yet effective

The following standards, amendments to standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	<i>Effective from accounting period beginning on or after</i>
Amendments to IFRS 7 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2024
Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.	January 1, 2026

Effective from accounting period beginning on or after

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture. Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions. January 1, 2024

IFRS 17 - Insurance Contracts January 1, 2026

Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants January 1, 2024

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS S1 - General Requirements for Disclosure of Sustainability Related Financial Information

IFRS S2 Climate-related Disclosures

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Intangible asset

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the company and that the cost of such asset can also be measured reliably

Generally, costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible asset is amortised and charged to profit or loss from the month when such asset is available for use on written down valuation basis over its useful economic life. The estimated useful life and amortisation method are reviewed on an annual basis at each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

3.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables and contract assets, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables and contract assets are measured at the transaction price determined under IFRS 15 'Revenue from Contract with Customers'.

Subsequent Measurement

For purposes of subsequent measurement, the Company classifies its financial assets into following categories:

Financial assets at amortised cost (debt instruments);

The Company measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) 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 at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired.

ii) Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

After initial recognition, borrowings and payables are subsequently measured at cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.3 Impairment

a) Financial Assets

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts and contract assets, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Impairment of Non Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.4 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent consist of bank balances and running finances under mark-up arrangements.

3.6 Trade debts, advances, deposits and other receivables

Trade debts, advances, deposits and other receivables are recognized and carried at original invoiced amount. When a trade debt is uncollectible, it is written off and charge to profit and loss account. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

3.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.8 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

3.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.10 Revenue recognition

Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc. are recognised as and when such services are provided.

Dividend income is recorded when the right to receive the dividend is established

Gains / losses arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.

3.11 Other income

- Profit on call deposit account is recognized on accrual basis.
- Gain (loss) on asset is recognised when the risk and rewards of the goods are transferred to the buyers.

3.12 Expenses

All expenses are recognized in the profit and loss account on accrual basis.

3.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under minimum / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they arise, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the statement of profit or loss.

3.14 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the admissible pricing method.

2024
Rupees

4 **INTANGIBLE ASSETS**

Trading right entitlement certificate:
Pakistan Stock Exchange Limited

2,500,000

5 **LONG TERM DEPOSITS**

Security deposits

5.1 400,000

5.1 This represent security deposited to NCCPL.

6 **CASH AND BANK**

Cash in hand

13,720

Cash at bank

- current account

6.1 76,292,569

76,306,289

6.1 *Bank balance pertains to:*

- Brokerage house

76,292,569

- Customer Account

-

76,292,569

7 **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

Number of shares

8,000,000

Ordinary shares of Rs.10 each fully paid

80,000,000

8 **TRADE AND OTHER PAYABLES**

Accrued expenses

87,500

87,500

9 **CONTINGENCIES AND COMMITMENTS**

There is no contingencies and commitment at year ended June 30, 2024.

10 ADMINISTRATIVE EXPENSES

Printing and stationary		56,955
Repair and maintainance		2,350
Travelling and conveyance		7,560
Postage and communication		2,850
Fees and subscription		265,025
Legal and professional charges		52,500
CDC Charges		104,905
NCCPL Charges		16,855
PSX service charges		180,802
Entertainment		14,950
Utilities		22,415
Other expenses		66,474
		793,641

11 FINANCE COST

Bank charges		70
		70

12 OTHER CHARGES

Auditors' remuneration	12.1	87,500
		87,500

12.1 Auditors' remuneration

Audit fees		65,000
Sales tax		5,200
		70,200
Out of pocket		6,500
<i>Certificates</i>		10,800
		87,500

13 LOSS PER SHARE - BASIC AND DILUTED

- Basic and diluted

Loss after taxation	Rs.	(881,211)
Weighted average number of ordinary shares		8,000,000
Loss per share - basic and diluted	Rs.	(0.11)

14 COMPUTATION OF LIQUID CAPITAL

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	ASSETS			
1.1	Property & Equipment	-	-	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:	-	-	-
	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.	-	-	-
	If unlisted than:	-	-	-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	-	-	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries			
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.			
	100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	400,000	400,000	-
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	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	Advances and receivables other than trade Receivables;			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	-	-	-
	(iii) In all other cases 100% of net value	-	-	-
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.	-	-	-
1.17	Receivables from customers			
	i.) In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	-	-	-
	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. v. Lower of net balance sheet value or value determined through adjustments	-	-	-
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	-	-	-
1.18	Cash and Bank balances			
	I. Bank Balance-proprietary accounts	76,292,569	-	76,292,569
	ii. Bank balance-customer accounts	-	-	-
	iii. Cash in hand	13,720	-	13,720

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.19	Subscription money against investment in IPO / offer for sale (asset)			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	Total Assets	79,206,289	2,900,000	76,306,289

2 LIABILITIES

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	87,500	-	87,500
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities	-	-	-
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	(b) Nill in all other cases	-	-	-
2.4	Subordinated Loans	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	Advance against shares for Increase in Capital of Securities broker:	-	-	-
	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital. b. Boad of Directors of the company has approved the increase in capital. c. Relevant Regulatory approvals have been obtained. d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	Total Liabilites	87,500	-	87,500

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3	RANKING LIABILITIES RELATING TO:			
3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securites lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed.	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue: if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting.	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurrency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
		-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.9	Opening Positions in futures and options			
	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	Short sell positions			
	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	Total Ranking Liabilities	-	-	-
		79,118,789	2,900,000	76,218,789

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	76,306,289
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(87,500)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<u>76,218,789</u>

15 PATTERN OF SHAREHOLDING

Following is the pattern of shareholding at year end

Name of shareholders'	Number of shares held	Percentage %
Kanwar Muhammad Tariq	4,100,000	51.25%
Asghari Begum	2,000,000	25.00%
Najma Parveen	1,899,995	23.75%
Masood Ali	5	0%
	<u>8,000,000</u>	<u>100%</u>

16 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

	2024			
	At fair value - through profit or loss	At fair value - through other comprehensive income	Other financial assets	Total
	----- Rupees -----			
Financial assets				
Long term deposits	-	-	400,000	400,000
Cash and bank	-	-	76,306,289	76,306,289
	-	-	<u>76,706,289</u>	<u>76,706,289</u>

17 FINANCIAL RISK MANAGEMENT

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

- Market risk
- Liquidity risk
- Credit risk
- Operational risk

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

17.1.1 Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to such risk mainly in respect of bank balances. Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's profit by Rs. nil and a 1% decrease would result in a decrease in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis. Currently, The Company is not materially exposed to interest rate risk.

17.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company does not have any financial instrument in foreign currencies and hence is not exposed to such risk.

17.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting it's financial obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of possibility that the Company could required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments 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 options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

Financial Liabilities

Within one year

Trade and other payables

2024
Rupees

87,500

17.3 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 into account the fair value of any collateral. Credit risk arises from inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

17.3.1 Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of the financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

Long term deposits
Cash and bank

2024
Rupees

400,000

76,306,289

76,706,289

17.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas.

- 1) Requirements for appropriate segregation of duties between various functions, roles and responsibility;
- 2) Requirements for the reconciliation and monitoring of transactions;
- 3) Compliance with regulatory and other legal requirements;
- 4) Documentation of control and procedures;
- 5) Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- 6) ethical and business standards;
- 7) Risk mitigation, including insurance where this is effective.

18 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity.

19 REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

	2024 Rupees	
	Chief Executive	Directors
Managerial remuneration	-	-
No. of person (s)	1	4

No remuneration is being paid or payable to the directors and chief executive of the Company during the current financial year.

20 **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties comprises associated companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company that gives it significant influence over the Company. Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	<i>2024</i> <i>Rupees</i>
<i>- Associate company</i>	
<i>Security Organizing System Pakistan Private Limited</i>	
<i>Transaction during the year</i>	
Loan given during the year	<u>78,690,034</u>
Loan recovered during the year	<u>78,690,034</u>
<i>Balance at year ended</i>	<u>-</u>

21 **CAPITAL ADEQUACY LEVEL**

The capital adequacy level of the company is as follows:

Total assets	79,206,289
Less : Total liabilities	(87,500)
Less : Revaluation Reserves (created upon revaluation of fixed assets)	-
<i>Capital adequacy level</i>	<u>79,118,789</u>

21.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by Sos Capital Limited as at year ended June 30, 2024 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

22 **CORRESPONDING FIGURES**

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.

23 **NUMBER OF EMPLOYEES**

	<i>2024</i>
Number of employees as at year end	<u>-</u>
Average number of employees for the year	<u>-</u>

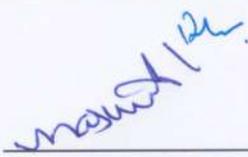
24 **DATE OF AUTHORIZATION FOR ISSUE.**

28 OCT 2024

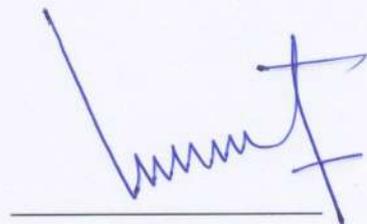
These financial statements have been authorized for issue on _____ by the Board of Directors of the Company.

25 **GENERAL**

Figures have been rounded off to the nearest Rupee.



Chief Executive



Director

SOS Capital Limited

Pattern of Shareholding

As on June 30, 2024

Sr. #	Name of Shareholder	Category of Shareholder	No. of Shares Held
1	Kanwar Muhammad Tariq	Director	=4,100,000=
2	Asghari Begum	Director	=2,000,000=
3	Najma Parveen	Director	=1,899,995=
4	Masood Ali	Director	=5=
Total Number of Shares			8,000,000