

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

accounts various other financing options available.

	2023 Rupees	2022 Rupees
Financial liabilities		
Variable rate instruments:		
Long term loan	<u>2,388,641</u>	<u>3,221,990</u>

Fair value sensitivity analysis for fixed rate instruments

The company has no financial instruments with fixed rates

Cash flow sensitivity analysis for variable rate instruments

If interest rates on long term loan at the year end, fluctuate by 1% higher /lower with all the other variables held constant, loss after taxation for the year would have been Rs. 23,886 (2022: Rs. 32,220) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

26.7.3 Equity Price Risk

Equity price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 79.97 million (2022: Rs. 88.947 million) at the reporting date. The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

27 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders and to maintain strong capital base to support the development of its business. The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may adjust amount of dividend paid to shareholders or issue new shares.

27.1 Liquid Capital

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	67,311,774	100.00%	-
1.2	Intangible Assets	54,439,059	100.00%	-
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 securities on the cutoff date as computed by the Securities Exchange for respective securities 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.	79,974,593	25,405,003	54,569,590
	ii. Long term investment in equity securities	-	-	-
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. (i) 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.	7,300,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	62,058,732	-	62,058,732
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	3,858,529	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-



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	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	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	- 40,214,284 31,184,423	- 40,214,284 31,184,423	- - -
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 of (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. Lower of net balance sheet value or value determined through adjustments. ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, net amount after deducting haircut iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts. (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. vi. In the case of amount of receivables from related parties, values determined after applying	7,964,310 - - 2,906,110 3,895,774 1,665,951	4,625,583 - - - 4,679,200 100.00%	3,338,727 - - 2,906,110 3,895,774 -
1.18	Cash and Bank balances i. Bank Balance–proprietary accounts ii. Bank balance–customer accounts iii. Cash in hand	3,804,065 64,917,558 724,977	- - -	3,804,065 64,917,558 724,977
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. Balance sheet value or Net value after deducting haircuts.	- - -	- - -	- - -
1.20	Total Assets	432,220,139	106,108,498	196,215,533
2.	Liabilities			
2.1	Trade Payables i. Payable to exchanges and clearing house ii. Payable against leveraged market products iii. Payable to customers	- - 117,722,345	- - -	- - 117,722,345
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	- 3,839,838 - - 876,832 - - - -	- - - - - - - -	- 3,839,838 - - 876,832 - - - -
2.3	Non-Current Liabilities i. Long-Term financing	-	-	-



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	Note: (s) 100% haircut may be allowed against long term portion of financing obtained from a financial institution against amount due against finance leases. (b) Nil in all other cases.	1,511,809	1,511,809	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (s) 100% haircut may be allowed against long term portion of financing obtained from a financial institution against amount due against finance leases. (b) Nil in all other cases.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements.	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-
	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.			
2.5	Total Liabilities	123,950,824	1,511,809	122,439,015
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.	-	4,228,914	4,228,914
3.2	Concentration in securities 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 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) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.	-	-	-
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	-	-	-
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applyiong VaR haircuts	-	2,401,580	2,401,580
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-



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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	-	6,630,494	6,630,494
	Liquid capital balance	308,269,315	97,966,195	67,146,024

2023 2022

28 NUMBER OF EMPLOYEES

Number of employees at year end

18 16

Average number of employees during the year

17 16

29 DETAIL OF SECURITIES AS PER BACK OFFICE RECORD AND CDC RECORD

As per Back Office Record	Own Account	Client Account	As per CDC Record	Own Account	Client Account
No. of Shares			No. of Shares		
Securities Held (REG)	12,272,340	215,634,980	Securities available	4,417,968	212,807,217
			Securities Pledged with PSX / NCCPL	7,388,371	2,751,500
Securities Held (MF)	6,023,800	-	Securities pledged with Banks	436,000	-
			Pre-Settlement Delivery	-	-
			Reconciling Entries:		
			Pending out	-	76,263
			Frozen securities	30,001	-
			MFS (HOUSE)	6,023,800	-
			Book closure (BYCO Petroleum)	-	-
Total	18,296,140	215,634,980	Total	18,296,140	215,634,980

30 DETAIL OF SECURITIES PLEDGED

- House account
- Client account

No. of shares	Amount in Rs.
7,388,371	76,988,700
2,751,500	22,804,630
10,139,871	99,793,330

31 PATTERN OF SHARE HOLDING

CATEGORIES OF SHAREHOLDERS			
NAME OF DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	SHAREHOLDERS	SHARES HELD	PERCENTAGE
M. Anwar Dar		386,100	19.31%
M. Farooq Dar		751,900	37.60%
Malik Dil Awayz Ahmed		2,000	0.10%
Malik Nadeem Asghar		55,000	2.75%
Waheed Asghar Malik		55,000	2.75%
M. Ayan Dar		262,500	13.13%
M. Hassan Dar		262,500	13.13%
Esha Dar		131,250	6.56%
Rida Dar		93,750	4.69%
Associated companies, undertakings and related parties		-	0.00%
Executives		-	0.00%
Public Sector Companies and Corporations		-	0.00%
Banks, development finance institutions, non-banking finance		-	0.00%
Others		-	0.00%
Total		2,000,000.00	100%

