

Darson Securities (Private) Limited

**Audited Financial Statements
For the year ended
June 30, 2023**



INDEPENDENT AUDITOR'S REPORT

To the members of Darson Securities (Private) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Darson Securities (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of 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, 2023 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.

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 Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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).

The engagement partner on the audit resulting in this independent auditor's report is Arqum Naveed.

Muniff Ziauddin & Co

Chartered Accountants

Place: Lahore

Date:

04 OCT 2023

UDIN: AR202310123slgpyfQhk

DARSON SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	67,311,774	69,779,508
Intangible assets	5	54,439,059	54,535,782
Long term investments	6	-	16,406,874
Long term deposits	7	2,100,000	1,943,450
Deferred tax asset	8	19,286,340	9,984,091
		<u>143,137,173</u>	<u>152,649,705</u>
Current assets			
Trade debts	9	16,432,145	40,308,132
Loan and advances	10	11,898,083	8,826,813
Short term deposits, prepayments and other receivables	11	71,117,261	104,812,754
Short term investments	12	79,974,593	88,947,334
Tax refund due from the Government	13	40,214,284	36,522,352
Cash and bank balances	14	69,446,600	101,036,059
		<u>289,082,966</u>	<u>380,453,444</u>
Total assets		<u>432,220,139</u>	<u>533,103,149</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up share capital	15	200,000,000	200,000,000
Fair value reserve of long term investment at FVOCI		-	12,560,834
Unappropriated profit		108,269,315	134,536,009
		<u>308,269,315</u>	<u>347,096,843</u>
Non-current liabilities			
Long term loan	16	1,511,809	2,378,100
Current liabilities			
Trade and other payables	17	121,562,183	182,784,316
Current portion of loan	16	876,832	843,890
		<u>122,439,015</u>	<u>183,628,206</u>
Contingencies and commitments	18	-	-
Total equity and liabilities		<u>432,220,139</u>	<u>533,103,149</u>

The annexed notes, from 1 to 35, form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR



DARSON SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Operating revenue	19	130,899,722	148,488,879
Capital loss on sale of investments - net		(9,977,769)	(10,450,853)
Loss on re-measurement of investments through profit or loss - net		(5,888,035)	(42,587,870)
		<u>115,033,918</u>	<u>95,450,156</u>
Operating and administrative expenses	20	(174,699,843)	(180,444,740)
Other income	21	23,323,452	16,070,723
Loss from operations		<u>(36,342,473)</u>	<u>(68,923,861)</u>
Finance cost	22	(1,002,608)	(763,195)
Loss before taxation		<u>(37,345,081)</u>	<u>(69,687,056)</u>
Taxation	23	8,094,357	7,169,110
Loss for the year		<u>(29,250,724)</u>	<u>(62,517,946)</u>

The annexed notes, from 1 to 35, form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR



DARSON SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	Rupees	Rupees
Loss for the year	(29,250,724)	(62,517,946)
Other comprehensive income:		
Items that will not be subsequently reclassified to statement of profit or loss:		
Loss on re-measurement of investment at FVOCI	6 -	(3,262,807)
Items that may be subsequently reclassified to statement of profit or loss:		
Loss on derecognition of investments at FVOCI	(9,576,804)	-
Total comprehensive loss for the year	<u>(38,827,528)</u>	<u>(65,780,753)</u>

The annexed notes, from 1 to 35, form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR



DARSON SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Fair value reserve of long term investment at FVOCI	Un- appropriated profit	Total equity
	----- (Rupees) -----			
Balance as at July 01, 2021	200,000,000	15,823,641	197,053,955	412,877,596
Loss after taxation	-	-	(62,517,946)	(62,517,946)
Other comprehensive loss	-	(3,262,807)	-	(3,262,807)
Total comprehensive loss for the year	-	(3,262,807)	(62,517,946)	(65,780,753)
Balance as at June 30, 2022	200,000,000	12,560,834	134,536,009	347,096,843
Balance as at July 01, 2022	200,000,000	12,560,834	134,536,009	347,096,843
Loss after taxation	-	-	(29,250,724)	(29,250,724)
Transfer of reserve on derecognition of investments at FVOCI	-	(2,984,030)	2,984,030	-
Other comprehensive loss	-	(9,576,804)	-	(9,576,804)
Total comprehensive loss for the year	-	(12,560,834)	(26,266,694)	(38,827,528)
Balance as at June 30, 2023	200,000,000	-	108,269,315	308,269,315

The annexed notes, from 1 to 35, form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR



DARSON SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(37,345,081)	(69,687,056)
Adjustments for non cash and other items:		
Depreciation of property and equipment	4 3,747,492	4,285,776
Allowance for expected credit losses	9.1 514,082	4,764,274
Amortisation of intangible assets	5.2 96,723	120,903
Unrealized loss on investments	20 5,888,035	42,587,870
Capital loss on sale of investments - net	9,977,769	10,450,853
Finance cost	22 1,002,608	763,195
	<u>21,226,709</u>	<u>62,972,871</u>
Changes in working capital	<u>(16,118,372)</u>	<u>(6,714,185)</u>
<i>Decrease / (increase) in current assets:</i>		
Trade debts	23,361,905	60,646,309
Loans and advances	(3,071,270)	535,956
Short term deposits, prepayments and other receivables	33,695,493	89,515,028
	<u>53,986,128</u>	<u>150,697,293</u>
<i>Decrease in current liabilities:</i>		
Trade and other payables	(61,222,133)	(86,665,219)
	<u>(23,354,377)</u>	<u>57,317,889</u>
Financial cost paid	(1,002,608)	(763,195)
Taxes paid	(4,899,824)	(3,920,288)
Net cash generated from operating activities	<u>(29,256,809)</u>	<u>52,634,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	(1,279,758)	(2,329,380)
Payment for short term investments - net	(62,993)	(23,145,337)
Decrease in long term deposits	(156,550)	(100,000)
Net cash used in investing activities	<u>(1,499,301)</u>	<u>(25,574,717)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(833,349)	(815,734)
Net cash used in financing activities	<u>(833,349)</u>	<u>(815,734)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(31,589,459)</u>	<u>26,243,955</u>
Cash and cash equivalents at the beginning of the year	101,036,059	74,792,104
Cash and cash equivalents at the end of the year	14 <u>69,446,600</u>	<u>101,036,059</u>

The annexed notes, from 1 to 35, form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



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

1 LEGAL STATUS AND OPERATIONS

Darson Securities Limited ("the Company") was incorporated in Pakistan under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) having CIUN 0041048 as a public unlisted company on March 11, 2000. The company has changed its status from public unlisted company to private company on November 08, 2022. The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited and had also acquired membership of the Pakistan Mercantile Exchange Limited (Formerly known as National Commodity Exchange Limited). It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The location and address of the registered and corporate office of the Company is as follow:-

LOCATIONS AND ADDRESSES OF COMPANY'S OFFICES

Sr. Particulars	Location
1. Head Office	Room no. 102, 1st Floor, Lahore Stock Exchange Building, Lahore.
2. Corporate Office	Room 807 & 808, 8th Floor, Business and Finance Center, 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:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Securities Brokers (Licensing and Operations) Regulations, 2016;
- Securities and Future Advisors Regulations 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017, Securities Brokers (Licensing and Operations) Regulations, 2016 and Securities and Future Advisors Regulations 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and Securities Brokers (Licensing and Operations) Regulations, 2016 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except otherwise stated in the relevant accounting policy.

2.3 Functional and presentation currency

These financial statements are presented using the currency of economic environment of the country in which the company operates. These financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

2.4 Critical Accounting Estimates & Judgements

The preparation of financial statements in conformity with accounting and reporting standards, requires management to use certain accounting estimates and exercise judgements in the process of applying the Company's accounting policies. Estimates and judgements are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. 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 revision and future periods, if the revision affects both current and future periods. The areas involving significant estimates or judgements are:

- Useful lives, residual values and depreciation method of property and equipment - Note 3.1 & 4
- Useful lives, residual values and amortisation method of intangible assets - Note 3.2 & 5
- Allowance for expected credit loss - Note 3.4, 3.3.4 and 9.1
- Current income tax expense, provision for current tax and recognition of deferred tax asset - Note 3.8 & 8
- Estimation of provisions - Note 3.9
- Estimation of contingent liabilities - Note 3.13
- Revenue - Note 3.7
- Impairment of non financial assets - Note 3.11

2.5 New or amendments to existing standards and interpretations

2.5.1 Standards, amendments to published accounting and reporting standards and interpretations that are effective in the current year

Following amendments to published accounting and reporting standards are mandatory for the Company's accounting periods



DARSON SECURITIES (PRIVATE) LIMITED
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beginning on or after 01 July 2022:

- IAS 37 (Amendments) 'Provisions, Contingent Liabilities and Contingent assets;
- IAS 16 (Amendments) 'Property, Plant and Equipment;
- IFRS 9 (Amendments) 'Financial Instruments'; and
- IFRS 16 (Amendments) 'Leases'

The above-mentioned amendments to accounting and reporting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2.5.2 Standards, interpretations and amendments to accounting and reporting standards that are effective in current year but are not relevant to the Company

There are amendments to published accounting and reporting standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.5.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following standards, amendments to the accounting and reporting standards and interpretations are mandatory for companies having accounting periods beginning on or after the below mentioned period:

Standards, Interpretations or Amendments	Effective date (annual periods beginning on or after)
IAS-1 Classification of Liabilities as Current or Non-Current (Amendments)	January 01, 2023
IAS-1 Disclosure of accounting policies (Amendments)	January 01, 2023
IAS-8 Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS-12 Initial recognition exception (Amendments)	January 01, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and Equipment

Cost

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost in relation to property and equipment comprises acquisition and other directly attributable cost incurred in bringing the asset to its intended use. 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 entity and cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation

Depreciation on property and equipment is charged to statement of profit or loss on a reducing balance method so as to write off cost / depreciable amount of an asset over its estimated useful life at the rates as disclosed in the Note 4 to the financial statements. Depreciation is charged from the date the assets are put to use while no depreciation is charged after the date when the assets are disposed off. The residual value and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property and equipment is derecognized on 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 in the year the asset is derecognized) shall be charged to statement of profit or loss.

3.2 Intangible assets

These include membership cards of PMEX, Trading Right Entitlement Certificates (TREC) and Offices and Website & Software.

a) Finite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amount and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. Intangible assets are amortised using the reducing



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

balance method over their useful life as disclosed in Note 5.2 to the financial statements. These intangible assets include website and softwares.

b) Infinite useful life

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated impairment losses, if any. Cost on initial recognition in an acquisition transaction is determined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of asset acquisition. When there is an exchange of assets and the fair value of neither the asset received nor the asset given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. These intangible assets include 'Trading Right Entitlement Certificate and Offices' and PMEX membership.

3.3 Financial Instruments

A financial instrument is any asset that gives rise to a financial asset of an entity and a financial liability or equity instruments of another entity. The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument.

3.3.1 Financial Assets

The Company classifies its financial assets in the following three categories:

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

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

(i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or

(ii) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value and transaction cost, if any is expensed out in the statement of profit or loss.

3.3.1.1 Initial Recognition

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own investments. Trade date is the date on which the Company commits to purchase or sell its asset.

3.3.1.2 Subsequent measurement

(a) Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost (determined using the effective interest method) less accumulated impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in statement of profit or loss.



DARSON SECURITIES (PRIVATE) LIMITED
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(a) Financial assets at FVTOCI

These are subsequently measured at fair value less accumulated impairment losses, if any.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in statement of comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in statement of profit or loss.

(a) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in statement of profit or loss.

3.3.2 Financial Liabilities

(a) Initial measurement

Financial liabilities are classified as measured at amortised cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL, if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

(b) Subsequent measurement

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses if any, are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

3.3.3 Derecognition

a) Financial Assets

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

b) Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss.

3.3.4 Impairment

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for trade debtors. The Company measures expected credit losses in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in statement of profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.3.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position, if the Company has a legal right to set off the transaction and also intends, either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss. The company has applied simplified approach to measure expected credit losses, which uses a life time expected credit loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.



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

3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances in deposit and current accounts.

3.6 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

3.7 Revenue recognition

Revenue is recognised at the time when control is transferred to the customer. This is usually when services are provided. Revenue from different sources of income is recognized as follows:

- Brokerage, commission etc. are recognized as and when such services are provided and right to receive payment is established.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- 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.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in statement of profit or loss for the period in which they arise.

3.8 Taxation

Current

Provision of tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provide for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amounts of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to statement of comprehensive income or directly to equity, in which case it is included in comprehensive income or equity.

3.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.10 Foreign currency translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in statement of profit or loss for the year.

3.11 Impairment of non financial assets

The carrying amount of the company's assets, for which policy is given separately, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount. Impairment losses are charged to statement of profit or loss.



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3.12 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.

3.13 Transactions with related parties

Transactions with related parties are carried out at arm's length prices.



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4 PROPERTY AND EQUIPMENT

	Land	Furniture and Fixture	Office Equipment	Computer Equipment	Vehicles	Total
-----Rupees-----						
As at July 01, 2021						
Cost	43,542,600	5,908,714	9,301,423	13,087,620	28,056,967	99,897,324
Accumulated depreciation	-	(4,825,618)	(3,671,597)	(4,656,579)	(15,007,626)	(28,161,420)
Net book value	43,542,600	1,083,096	5,629,826	8,431,041	13,049,341	71,735,904
For the year ended June 30, 2022						
Opening net book value	43,542,600	1,083,096	5,629,826	8,431,041	13,049,341	71,735,904
Additions during the year	-	186,500	484,155	1,585,225	73,500	2,329,380
Depreciation charge	-	(115,189)	(598,122)	(958,811)	(2,613,654)	(4,285,776)
Closing net book value	43,542,600	1,154,407	5,515,859	9,057,455	10,509,187	69,779,508
As at June 30, 2022						
Cost	43,542,600	6,095,214	9,785,578	14,672,845	28,130,467	102,226,704
Accumulated depreciation	-	(4,940,807)	(4,269,719)	(5,615,390)	(17,621,280)	(32,447,196)
Net book value	43,542,600	1,154,407	5,515,859	9,057,455	10,509,187	69,779,508
As at July 01, 2022						
Cost	43,542,600	6,095,214	9,785,578	14,672,845	28,130,467	102,226,704
Accumulated depreciation	-	(4,940,807)	(4,269,719)	(5,615,390)	(17,621,280)	(32,447,196)
Net book value	43,542,600	1,154,407	5,515,859	9,057,455	10,509,187	69,779,508



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	Land	Furniture and Fixture	Office Equipment	Computer Equipment	Vehicles	Total
-----Rupees-----						
For the Year ended June 30, 2023						
Opening net book value	43,542,600	1,154,407	5,515,859	9,057,455	10,509,187	69,779,508
Additions during the year	-	7,000	579,440	648,318	45,000	1,279,758
Depreciation charge	-	(116,087)	(573,530)	(944,498)	(2,113,377)	(3,747,492)
Closing net book value	43,542,600	1,045,320	5,521,769	8,761,275	8,440,810	67,311,774
As at at June 30, 2023						
Cost	43,542,600	6,102,214	10,365,018	15,321,163	28,175,467	103,506,462
Accumulated depreciation	-	(5,056,894)	(4,843,249)	(6,559,888)	(19,734,657)	(36,194,688)
Net book value	43,542,600	1,045,320	5,521,769	8,761,275	8,440,810	67,311,774

Annual rate of depreciation

10%

10%

10%

20%



DARSON SECURITIES (PRIVATE) LIMITED
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	Note	2023 Rupees	2022 Rupees
5 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate and Offices	5.1	53,052,165	53,052,165
Membership - Pakistan Mercantile Exchange Limited (PMEX)		1,000,000	1,000,000
		<u>54,052,165</u>	<u>54,052,165</u>
Website and Software	5.2	386,894	483,617
		<u>54,439,059</u>	<u>54,535,782</u>
5.1 Trading Right Entitlement Certificate and Offices			
Trading Right Entitlement Certificate			
Cost		5,000,000	5,000,000
Impairment		(2,500,000)	(2,500,000)
	5.1.1	<u>2,500,000</u>	<u>2,500,000</u>
Offices / Booths			
Pakistan Stock Exchange Limited		50,552,165	50,552,165
		<u>53,052,165</u>	<u>53,052,165</u>
5.1.1 This represents TREC received by the company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. These have been carried at cost less accumulated impairment losses, if any.			
	Note	2023 Rupees	2022 Rupees
5.2 Website and Software			
Net carrying amount			
Opening net book value		483,617	604,520
Amortisation for the year		(96,723)	(120,903)
Closing net book value		<u>386,894</u>	<u>483,617</u>
Gross carrying amount			
Cost		725,931	725,931
Accumulated Amortisation		(339,037)	(242,314)
Net book value		<u>386,894</u>	<u>483,617</u>
Amortisation rate		<u>20%</u>	<u>20%</u>
6 LONG TERM INVESTMENTS			
Unlisted securities			
LSE Financial Services Limited	6.1	-	16,406,874
		<u>-</u>	<u>16,406,874</u>
6.1 LSE Financial Services Limited			
Opening balance		16,406,874	19,669,681
Adjustment for remeasurement to fair value		-	(3,262,807)
Loss on realization due to swap with other securities		(9,576,804)	-
Realized through shares swap during the year		<u>(6,830,070)</u>	<u>-</u>
		<u>-</u>	<u>16,406,874</u>

These shares pertain to the trading rights associated with Pakistan Stock Exchange (formerly "Lahore Stock Exchange") and were allotted to the company as a replacement of membership cards of stock exchange following the enactment of the Stock Exchanges (Corporatization, Demutualization, and Integration) Act, 2012 (the 2012 Act).

Prior to the 2012 demutualization, stock exchanges functioned as Guarantee Limited Companies, wherein membership cards granted ownership and trading rights to members. Post-demutualization, ownership of a stock exchange was separated from trading rights. Membership cards were consequently replaced by shares representing ownership in the exchange, and Trading Rights Entitlement Certificates (TREC) representing trading rights.

Subsequently, on January 11, 2016, the Lahore, Islamabad, and Karachi Stock Exchanges were amalgamated to establish the Pakistan Stock Exchange, sanctioned by the SECP.

As a result of amalgamation, the Company received 843,975 shares valued at Rs.10/- each of LSE Financial Services Limited. Sixty percent (60%) of these shares were locked in a distinct CDC-held account, intended for future sale to strategic investors and the general public at an as-yet-undetermined price and the proceeds of which will be right of the members. The remaining 40% of shares were unrestricted for members, with no stipulations on their future sale. It's important to note that Trading Rights Entitlement Certificates (TREC) are subject to a one-time sale or transfer, after which they cannot be resold or transferred again. This transaction fundamentally involves swapping an intangible asset (membership card) with a financial asset (shares), along with the addition of another intangible asset (TREC).

The 'Selected Opinion' from the Institute of Chartered Accountants of Pakistan determined that the demutualization process did not involve an exchange of dissimilar assets. Consequently, no gain or loss should be recorded. Instead, the division of ownership rights and trading rights should be addressed by reasonably apportioning the cost or carrying value of the membership card to the two distinct assets. Subsequent valuation of the shares and TREC



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would depend on the availability of dependable fair values. This valuation would become feasible when the blocked shares are eventually sold to strategic investors or the general public through an IPO, leading to the establishment of an active market for TREC. It was further stated that the apportioned carrying value will be tested for impairment under IAS 36, if any. When the management and the auditor conclude that there is no impairment, they may continue to use the apportioned carrying value.

	Note	2023 Rupees	2022 Rupees
7 LONG TERM DEPOSITS			
Trading deposits placed with:			
Deposit with CDC		200,000	200,000
Deposit with NCCPL		1,400,000	1,400,000
Other security deposits:			
Deposit with PSO		500,000	343,450
		<u>2,100,000</u>	<u>1,943,450</u>

	At July 01, 2023	Recognised in P&L	Recognised in OCI	At June 30, 2023
	(Rupees)			
8 DEFERRED TAX ASSET				
Deductible Temporary Differences on :				
Property & Equipment	(1,920,894)	99,967	-	(1,820,927)
Taxable Temporary Differences on:				
Business losses	1,067,535	11,306,771	-	12,374,306
Short term investments	-	4,601,105	-	4,601,105
Depreciation losses	9,192,288	(6,591,155)	-	2,601,133
Allowance for expected credit loss	1,645,162	(114,439)	-	1,530,723
	<u>9,984,091</u>	<u>9,302,249</u>	<u>-</u>	<u>19,286,340</u>

	Note	2023 Rupees	2022 Rupees
9 TRADE DEBTS			
Trade debts - considered good	9.2	16,432,145	40,308,132
Trade debts - considered doubtful		<u>5,278,356</u>	<u>5,672,973</u>
		21,710,501	45,981,105
Less : Allowance for expected credit losses	9.1	<u>(5,278,356)</u>	<u>(5,672,973)</u>
		<u>16,432,145</u>	<u>40,308,132</u>

9.1 Movement in allowance for expected credit losses is as below:			
Opening balance		5,672,973	908,699
Recognised during the year		514,082	4,764,274
Written off during the year		<u>(908,699)</u>	<u>-</u>
Closing balance		<u>5,278,356</u>	<u>5,672,973</u>

9.2 This includes Rs. 1.665 million (2022:Rs. 1.655 million) due from related parties. The Company holds capital securities having fair value of Rs. 237.94 million (2022: Rs.446.08 million) owned by its clients, as collaterals against trade debts - considered good.

	Note	2023 Rupees	2022 Rupees
9.3 Aging Analysis			
The aging analysis of trade debt is as follows:			
Upto five days		10,870,420	35,325,292
More than five days		<u>10,840,081</u>	<u>10,655,813</u>
		<u>21,710,501</u>	<u>45,981,105</u>

10 LOAN AND ADVANCES			
Unsecured - Considered good			
Advance to employees		11,084,332	8,013,062
Advance against software		<u>813,751</u>	<u>813,751</u>
		<u>11,898,083</u>	<u>8,826,813</u>

11 SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Pakistan Mercantile Exchange clearing deposit		1,450,189	1,227,426
National Clearing Company Pakistan limited	11.1	5,506,178	5,526,938
Exposure margin deposit - future	11.1	32,333,605	53,517,274
Exposure margin deposit - ready	11.1	<u>22,696,760</u>	<u>34,909,117</u>



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	Note	2023 Rupees	2022 Rupees
Base minimum capital deposit - house	11.2	5,200,000	6,200,000
Gem board exposure margin deposit - house	11.3	72,000	47,000
Prepayments		3,362,997	2,897,932
Other receivables		495,532	487,067
		<u>71,117,261</u>	<u>104,812,754</u>

11.1 These represents deposits with National Clearing Company of Pakistan Limited against exposure arising out of trading in securities in accordance with the regulations of the Pakistan Stock Exchange Limited and National Clearing Company Pakistan Limited.

11.2 This amount represents deposits with PSX which is calculated as per the slabs given in PSX/N-351, to meet the shortfall and the requirements of the act.

11.3 This amount represents as required by Chapter 5A (Regulations governing and trading of equity securities on growth enterprise market) of PSX Rule Book.

	Note	2023 Rupees	2022 Rupees
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12 SHORT TERM INVESTMENTS

At fair value through profit or loss:

Shares of listed companies - at fair value	12.1	<u>79,974,593</u>	<u>88,947,334</u>
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12.1 Investments in shares of listed companies at fair value through profit or loss:

Name of Securities	Note	Number of shares		Rupees	
		2023	2022	2023	2022
Pakistan Stock Exchange Limited		1,644,500	1,644,500	12,169,300	16,823,235
Bank of Punjab Limited		1,440,865	1,289,636	4,999,802	6,989,827
Bank Alfalah Limited		164,855	146,355	5,018,186	4,683,360
Pakistan Engineering Company Limited		1,100	1,100	357,005	320,155
Silk Bank Limited		1,652,494	1,652,494	1,652,494	1,949,943
Escorts Investments Bank Limited		175,500	150,500	547,560	1,006,845
Engro Corporation Limited		2,418	1,718	628,414	441,681
Worldcall Telecom Limited		86,100	86,121	93,849	114,541
Zeal Pak Cement Factory Limited		2,842,200	2,842,200	1,250,568	1,250,568
Standard Chartered Bank (Pakistan) Limited		54,500	50,000	1,185,375	955,500
Habib Bank Limited		11,472	14,271	840,095	1,303,513
MCB Bank Limited		8,418	7,418	963,608	912,266
TRG Pakistan Limited		30,000	5,500	2,763,900	425,315
Fauji Foods Limited		200,000	200,000	1,148,000	1,326,000
Pakistan Refinery Ltd.		75,000	75,000	1,017,000	1,341,750
The Organic Meat Co. Ltd.		14,182	63,100	294,702	1,378,104
LSE Protech Ltd.	12.1.1	177,321	-	852,914	-
LSE Venture Ltd.	12.1.1	505,686	-	4,551,221	-
Panther Tyres Ltd		2,500	45,500	50,400	1,474,200
Aisha Steel Mills Limited		141,840	141,770	765,936	1,566,559
Hub Power Company Limited		77,444	25,444	5,388,554	1,734,517
Engro Polymer		80,500	35,500	3,401,125	2,826,865
Tpl Properties Limited		-	363,000	-	7,318,080
Telecard Limited		-	1,193,000	-	12,920,190
Others	12.1.2	2,853,414	2,756,746	30,034,585	19,884,320
		<u>12,242,309</u>	<u>12,790,873</u>	<u>79,974,593</u>	<u>88,947,334</u>

12.1.1 Pursuant to the Lahore High Court HCJD/C-21 proceedings concerning the demerger of LSE Financial Services Limited (LSEFSL), the court has ordered the division of the principal business into two newly incorporated entities: LSE Venture Ltd. (LVL) and LSE Protech Ltd. (LPL). Both companies were established as public unlisted companies (now listed on PSX) with shares issued to LSEFSL members.

The court-directed arrangement involves the cancellation of issued shares to LSEFSL members, with each shareholder receiving shares in LVL and LPL. The shares held by LSEFSL members in LPL will be nullified. The specific calculation for LVL and LPL shares, along with the conversion shares is outlined as follows:

Name of Company	Swap Ratio	Converted Shares	Total No of Shares	Rate	Par value	Amount at Fair value	Unrealised Loss
LSE Protech Ltd.	99.862:100	8,439.75	177,321.00	10.00	1,773,210	852,914	920,296
LSE Venture Ltd.	501.62:1000	84.40	505,686.00	10.00	5,056,860	4,551,221	505,639
					<u>6,830,070</u>	<u>5,404,135</u>	<u>1,425,935</u>

12.1.2 These include securities with zero value which are as under:



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Name of Securities	2023	2022
	Number of shares	
Al-Meezan Mutual Fund Ltd.	4,000	4,000
AMZ Ventures	16,040	16,040
Al-Azhar Textile Mills Ltd.	1,000	1,000
Beema Pakistan Limited	445,000	445,000
1st Capital Mutual Fund Limited	117	117
Golden Arrow Selected Funds Ltd.	1,157	1,157
Genertech Pakistan Limited	29,050	29,050
Habib Growth Fund	20	20
Habib Investment Fund	100	100
Innovative Investment Bank Ltd.	1,630	1,630
Javed Omer Vohra And Company Ltd.	201,688	201,688
MCB Pakistan Stock Market Fund	102	102
Mukhtar Textile	500	500
Norrie Textile Mills Ltd.	436,100	436,100
Pangrio Sugar Mills Ltd.	20,500	20,500
Southern Electric Power Company Limite	2	2
Transmission Engineering Co. Ltd.	10,000	10,000
Wazir Ali Industries Ltd.	21	21
Shahpur Textile Mills Limited.	2,774	2,774
	<u>1,169,801</u>	<u>1,169,801</u>

13 TAX REFUND DUE FROM THE GOVERNMENT	Note	2023 Rupees	2022 Rupees
	Opening balance		36,522,352
Add: Tax deducted during the year		4,899,824	3,920,288
		<u>41,422,176</u>	<u>39,337,333</u>
Adjusted against provision for taxation		(1,207,892)	(2,814,981)
Closing balance		<u>40,214,284</u>	<u>36,522,352</u>

14 CASH AND BANK BALANCES	Note	2023	2022
		Rupees	Rupees
Cash in hand		724,977	307,172
Cash at bank			
- In current accounts	14.1	<u>63,196,293</u>	<u>93,263,099</u>
- In saving accounts	14.2	<u>5,525,330</u>	<u>7,465,788</u>
		<u>68,721,623</u>	<u>100,728,887</u>
		<u>69,446,600</u>	<u>101,036,059</u>

14.1 This carries profit rate ranging from 10% to 20.50% (2022: 5.5% to 12.50%) per annum.

14.2 Cash at bank	Note	2023	2022
		Rupees	Rupees
- House account		3,804,065	2,699,985
- Client account		64,917,558	98,028,902
		<u>68,721,623</u>	<u>100,728,887</u>

15 SHARE CAPITAL	2023	2022	2023	2022
15.1 AUTHORIZED SHARE CAPITAL				
Ordinary shares of Rs. 100 each	<u>5,000,000</u>	<u>5,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
15.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Ordinary shares of Rs. 100 each fully paid in cash	<u>2,000,000</u>	<u>2,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
15.2.1 There is no change in the issued, subscribed and paid up capital of the company therefore reconciliation of number of shares outstanding is not provided.				

16 LONG TERM LOAN	Note	2023	2022
		Rupees	Rupees
Opening balance		3,221,990	4,037,724
Interest expense		453,141	420,286
Paid during the year		(1,286,490)	(1,236,020)
Closing balance	16.1	<u>2,388,641</u>	<u>3,221,990</u>
Less: current portion shown under current liabilities		(876,832)	(843,890)
Non-Current		<u>1,511,809</u>	<u>2,378,100</u>



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16.1 This represents long term loan obtained from Soneri Bank Limited for the purpose of purchasing vehicles. The markup rate is 1YK+2%. These loans are secured through Joint Ownership of the vehicles purchased by utilising the loans.

	Note	2023 Rupees	2022 Rupees
16.2 Maturity Analysis of long term loan - undiscounted contractual cash flows			
Up to one year		1,262,795	1,235,666
After one year		1,755,509	2,819,912
		<u>3,018,304</u>	<u>4,055,578</u>
17 TRADE AND OTHER PAYABLES			
Trade creditors		117,722,345	173,468,850
Accrued expenses		3,839,838	9,315,466
		<u>121,562,183</u>	<u>182,784,316</u>
18 CONTINGENCIES AND COMMITMENTS			
There are no known contingencies and commitments as at June 30, 2023 (2022: Nil).			
19 OPERATING REVENUE			
Brokerage income		126,159,568	142,654,906
Dividend income		4,740,154	5,833,973
		<u>130,899,722</u>	<u>148,488,879</u>
20 OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits		121,455,380	120,412,709
Entertainment		6,909,316	8,202,303
Utility		7,858,943	6,862,088
Computer charges		7,671,815	7,906,738
CDC and NCCPL charges		2,553,770	4,545,141
Depreciation	4	3,747,492	4,285,776
Legal and professional charges		1,996,633	2,223,902
Printing and stationary		1,593,063	2,525,243
Traveling and conveyance		966,247	838,173
Insurance		1,384,002	1,371,135
Fee and other regulatory charges		591,168	888,397
SECP transaction fee		445,789	656,298
Auditors' remuneration	20.2	275,000	275,000
Allowance for expected credit loss		514,082	4,764,274
Communication and postage		388,530	299,054
Donation		508,425	305,000
Amortisation	5.2	96,723	120,903
Repair and maintenance		15,743,465	13,962,606
		<u>174,699,843</u>	<u>180,444,740</u>
20.1	None of the directors and their spouses have any interest in donee's fund to which donations are made.		
20.2 Auditors' Remuneration			
Annual audit fee		275,000	275,000
21 OTHER INCOME			
Other miscellaneous income	21.1	11,829,666	9,522,098
Profit on deposits with banks		11,493,786	6,548,625
		<u>23,323,452</u>	<u>16,070,723</u>
21.1 The breakup of other miscellaneous income is as follows:			
Income from corporate services		4,510	296,625
Income from risk management system (RMS)		8,935,359	5,416,019
Income from margin trading system (MTS)		53,686	248,492
Income from base minimum capital (BMC)		844,348	355,340
Income from margin finance (MF)		1,991,763	3,205,622
		<u>11,829,666</u>	<u>9,522,098</u>
22 FINANCE COST			
Bank charges		549,467	342,909
Interest on long term loan		453,141	420,286
		<u>1,002,608</u>	<u>763,195</u>



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	Note	2023 Rupees	2022 Rupees
23 TAXATION			
Current tax			
- Current year	23.1	2,489,621	2,814,981
- Prior year		(1,281,729)	-
Deferred		(9,302,249)	(9,984,091)
		<u>(8,094,357)</u>	<u>(7,169,110)</u>

23.1 Income tax assessments of the Company are deemed to be finalized as per tax returns filed up to tax year 2022. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

The company has sufficient brought forward tax losses as at the year end in accordance with provisions of the Income Tax Ordinance, 2001.

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	2,220,000	-	40,953,344	2,220,000	-	28,695,008
Allowances	-	-	-	-	-	-
	<u>2,220,000</u>	<u>-</u>	<u>40,953,344</u>	<u>2,220,000</u>	<u>-</u>	<u>28,695,008</u>
Number of persons	1	2	25	1	3	19

The company has not paid remuneration to the directors

25 RELATED PARTY TRANSACTIONS

The related parties comprise key management personnel of the Company. The Company in the ordinary course of business carries out transactions with these related parties at arm's length.

Transactions with related parties such as remuneration and other benefits paid to directors, chief executive and executives during the year are disclosed in Note 9.2 and 24 of the financial statements. However, details of other transactions with the related parties have been specifically disclosed elsewhere in these financial statements, are as under:

Name of related party	Relationship	Transactions during the year	2023	2022
			Rupees	Rupees
Asma	Spouse of CEO	Receivables against purchase of shares	1,655,221	1,644,512
Malik Dilawaz Ahmed	CEO	Brokerage commission earned	594,427	1,075,137
Ali Farooq Dar	Close family member of director	Receivables against regulatory fee	6,859	6,207
Omer Farooq Dar	Close family member of director	Receivables against regulatory fee	2,671	1,996
Muhammad Anwar Dar	Director	Receivables against regulatory fee	1,200	-

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

26.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

26.2 Financial assets and liabilities by category and their respective maturities

	Balances as at June 30, 2023		Balances as at June 30, 2022	
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year
Financial assets				
Investment at FVOCI:				
Long term investments	-	-	-	16,406,874
Investment at FVTPL:				
Short term investments	79,974,593	-	88,947,334	-



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	Balances as at June 30, 2023		Balances as at June 30, 2022	
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year
	-----Rupees-----			
At amortised cost				
Long term deposits	-	2,100,000	-	1,943,450
Trade debts - considered good	16,432,145	-	40,308,132	-
Short term deposits and other receivables	67,754,264	-	101,914,822	-
Cash and bank balances	69,446,600	-	101,036,059	-
	153,633,009	2,100,000	243,259,013	1,943,450
	233,607,602	2,100,000	332,206,347	18,350,324
Financial liabilities at amortised cost				
Trade and other payables	119,721,663	-	180,293,679	-
Long term loan	876,832	1,511,809	843,890	2,378,100
	120,598,495	1,511,809	181,137,569	2,378,100

26.3 Fair values estimate

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair value at initial recognition:

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, long term investment and short term investments, the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition.

Valuation techniques and inputs used:

For financial instruments, since majority of the interest bearing instruments are variable rate based instruments carried at amortised cost, there is no difference in carrying amount and the fair value.

Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition:

The company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation. The long term investment and short term investments at fair value through other comprehensive income and through profit or loss respectively been categorized as follows:-

Level	June 30, 2023		June 30, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	-----Rupees-----			
Financial assets carried at Fair Value:				
Long term investments	2	-	-	16,406,874
Short term investments	1	79,974,593	79,974,593	88,947,334

26.4 Financial Risk Factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

26.5 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. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Credit risk of the Company arises from deposits with banks, trade debts, deposits with regulatory authorities, long term investments, short term investments and other receivables. The carrying amount of 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 net 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 management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks.



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Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	2023 Rupees	2022 Rupees
Fair value through OCI		
Long term investments	-	16,406,874
Short term investments	79,974,593	88,947,334
At amortised cost		
Long term deposits	2,100,000	1,943,450
Trade receivable - considered good	16,432,145	40,308,132
Short term deposits and other receivables	67,754,264	101,914,822
Bank balances	68,721,623	100,728,887
	234,982,625	350,249,499

i) Credit quality and impairment:

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Counterparties, with the exception of long-term deposits, long term investments, trade debts and other receivables have external credit ratings determined by various credit rating agencies as follow:

Bank Name	Agency	ST Rating	L/T Rating	2023 Rupees	2022 Rupees
MCB Bank Limited	PACRA	A1+	AAA	557,527	3,513,745
Habib Bank Limited	JCR-VIS	A-1+	AAA	4,209,542	2,484,737
Bank Al Habib Limited	PACRA	A1+	AAA	759,791	884,719
Bank Alfalah Limited	PACRA	A1+	AA+	550,113	401,483
Silk Bank Limited	JCR-VIS	A-2	A-	41,797	52,297
Habib Metro Bank Limited	PACRA	A1+	AA+	32,016	106,687
Bank Islami Pakistan Limited	PACRA	A1	A+	315,647	3,887,785
JS Bank Ltd	PACRA	A1+	AA-	174,663	223,068
United Bank Limited	JCR-VIS	A-1+	AAA	290,689	573,572
Soneri Bank Limited	PACRA	A1+	AA-	60,523,604	87,647,677
Bank of Punjab	PACRA	A1+	AA+	199,040	239,956
Bank of Khyber	PACRA	A1	A	99,058	4,435
Meezan Bank Limited	JCR-VIS	A-1+	AAA	968,136	708,726
				68,721,623	100,728,887

26.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. The following are the contractual maturities of the financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

	2023 Rupees	2022 Rupees
Maturity up to one year:		
Trade and other payables	121,562,183	182,784,316
Current portion of loan	876,832	843,890
	122,439,015	183,628,206
Maturity for more than one year:		
Long term loan	1,511,809	2,378,100

26.7 Market risk

Market risk means that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as, foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risk associated with the company's business activities are discussed as under:

26.7.1 Foreign exchange risk

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to currency risk as the Company does not maintain bank accounts in foreign currencies and does not have any receivables and payables in foreign currency.

26.7.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company analyzes its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into



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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
1. 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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Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	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. 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, 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. 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. 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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Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	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 currency 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 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	-	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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Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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
Average number of employees during the year

18 16

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.
- House account	7,388,371	76,988,700
- Client account	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%



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SHAREHOLDERS HOLDING 5% OR MORE		
NAME	SHARES HELD	PERCENTAGE
M. Anwar Dar	386,100	19.31%
M. Farooq Dar	751,900	37.60%
M. Ayan Dar	262,500	13.13%
M. Hassan Dar	262,500	13.13%
Esha Dar	131,250	6.56%

	2023 Rupees	2022 Rupees
32 CAPITAL ADEQUACY LEVEL		
The Capital adequacy level as required by CDC is calculated as follows:		
Total Assets	432,220,139	533,103,149
Less: Total Liabilities	123,950,824	186,006,306
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
	<u>308,269,315</u>	<u>347,096,843</u>

While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by Darson Securities (Private) Limited as at June 30, 2023 as determined by Pakistan Stock Exchange has been considered.

33 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. There have been no reclassification in these financial statements.

34 GENERAL


Figures have been rounded off to the nearest rupee.

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on October 4, 2023


 CHIEF EXECUTIVE




 DIRECTOR

