

**DARSON SECURITIES (PRIVATE) LIMITED  
REVIEWED CONDENSED INTERIM FINANCIAL  
STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED DECEMBER  
31, 2019**

# Muniff Ziauddin & Co.

Chartered Accountants

An independent member firm of BKR International  
INDEPENDENT AUDITOR'S REVIEW REPORT



To the members of Darson Securities (Private) Limited

Report on review of Interim Financial Statements

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Darson Securities (Private) Limited ("the Company") as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim financial information for the three months period ended December 31, 2019 have not been reviewed as we are required to review only cumulative figures for six-month period ended December 31, 2019.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Other Matter

The annual financial statements of the Company for the year ended June 30, 2019 were audited by another auditor whose audit report dated October 05, 2019 expressed unqualified opinion on the above-mentioned statements.

The engagement partner on the review resulting in this independent auditor's review report is M Ilyas.

*Muniff Ziauddin*

Chartered Accountants

Place: Lahore

Date:

09 MAR 2020

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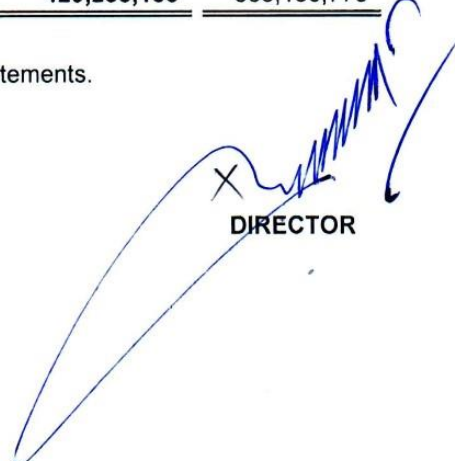
Other Offices: Karachi & Islamabad

**DARSON SECURITIES (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
-----Rupees-----			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	79,641,177	79,269,093
Intangible assets	6	54,275,665	54,052,165
Long-term investments	7	3,846,040	9,055,637
Long-term deposits	8	3,558,850	3,643,450
		<u>141,321,732</u>	<u>146,020,345</u>
<b>CURRENT ASSETS</b>			
Trade receivable - considered good	9	43,552,353	38,231,475
Loan and advances		600,493	2,346,723
Short term deposits, prepayments and other receivables	10	118,870,583	43,453,977
Short term investments	11	55,918,642	49,766,418
Tax refund due from the government		36,602,011	36,165,037
Cash and bank balances	12	32,392,371	49,196,800
		<u>287,936,453</u>	<u>219,160,430</u>
<b>TOTAL ASSETS</b>		<u><b>429,258,185</b></u>	<u><b>365,180,775</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Share Capital</b>			
5,000,000 (June 30, 2019: 5,000,000) ordinary shares of Rupees 100 each		500,000,000	500,000,000
Issued, subscribed and paid up share capital		200,000,000	200,000,000
2,000,000 (June 30, 2019: 2,000,000) ordinary shares of Rupees 100 each			
Accumulated profit		131,355,870	130,393,416
		<u>331,355,870</u>	<u>330,393,416</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	97,902,315	34,787,359
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>429,258,185</b></u>	<u><b>365,180,775</b></u>

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

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**DARSON SECURITIES (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTH ENDED DECEMBER 31, 2019 (UN-AUDITED)**

	Note	Six months ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
-----Rupees-----					
Brokerage income	15	33,363,434	25,725,139	24,401,517	14,148,826
Dividend income		1,154,867	573,390	625,968	172,017
Unrealized gain / (loss) on re-measurement of investments through profit or loss		1,708,587	-	-	-
Capital loss on disposal of investments - net		(738,755)	-	-	-
		<b>35,488,133</b>	26,298,529	<b>25,027,485</b>	14,320,843
<b>Less:</b>					
Operating and administrative expenses	16	38,587,536	24,816,222	20,991,009	10,720,310
Finance cost	17	33,405	39,753	18,293	23,852
		<b>38,620,941</b>	24,855,975	<b>21,009,302</b>	10,744,162
<b>(Loss) / profit from operations</b>		<b>(3,132,808)</b>	1,442,554	<b>4,018,183</b>	3,576,681
Other income	18	4,841,285	5,507,714	2,898,415	3,194,474
<b>Profit before taxation</b>		<b>1,708,477</b>	6,950,268	<b>6,916,598</b>	6,771,155
Taxation		(746,023)	9,386	-	-
<b>Profit / (loss) after taxation</b>		<b>962,454</b>	6,959,654	<b>6,916,598</b>	6,771,155
<b>Earning per share - basic and diluted</b>	19	<b>0.48</b>	3.48	<b>3.46</b>	3.39

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

X   
**CHIEF EXECUTIVE OFFICER**

X   
**DIRECTOR**

**DARSON SECURITIES (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH ENDED DECEMBER 31, 2019 (UN-AUDITED)**

	Six months ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note	-----Rupees-----			
Profit after taxation	962,454	6,959,654	6,916,598	6,771,155
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit</b>	<b>962,454</b>	<b>6,959,654</b>	<b>6,916,598</b>	<b>6,771,155</b>

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

*[Signature]*

CHIEF EXECUTIVE OFFICER

*[Signature]*

DIRECTOR

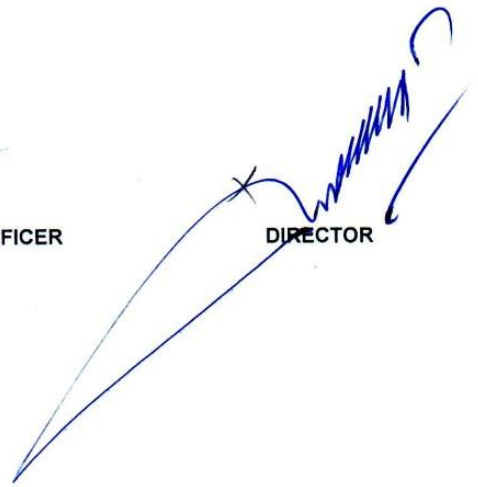
**DARSON SECURITIES (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH ENDED DECEMBER 31, 2019 (UN-AUDITED)**

	Issued, subscribed and paid-up capital	Unappropriated profits	Total Equity
	----- (Rupees) -----		
<b>Balance as at July 01, 2018 (audited)</b>	200,000,000	156,356,493	356,356,493
- Profit for the period	-	6,959,654	6,959,654
- Other comprehensive income for the period	-	-	-
Total comprehensive profit for the period	-	6,959,654	6,959,654
<b>Balance as at December 31, 2018 (un-audited)</b>	<b>200,000,000</b>	<b>163,316,147</b>	<b>363,316,147</b>
<b>Balance as at January 01, 2019 (un-audited)</b>	200,000,000	163,316,147	363,316,147
- Loss for the period	-	(32,922,731)	(32,922,731)
- Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(32,922,731)	(32,922,731)
<b>Balance as at June 30, 2019 (audited)</b>	<b>200,000,000</b>	<b>130,393,416</b>	<b>330,393,416</b>
<b>Balance as at July 01, 2019 (audited)</b>	200,000,000	130,393,416	330,393,416
- Profit for the period	-	962,454	962,454
- Other comprehensive income for the period	-	-	-
Total comprehensive profit for the period	-	962,454	962,454
<b>Balance as at December 31, 2019 (un-audited)</b>	<b>200,000,000</b>	<b>131,355,870</b>	<b>331,355,870</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

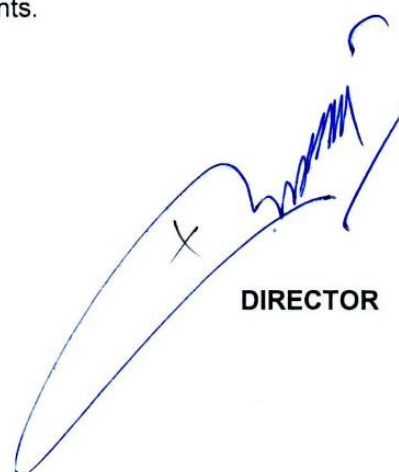
**DARSON SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	1,708,477	6,950,268
<i>Adjustments for :</i>		
- Depreciation	1,116,270	-
- Amortization	17,750	-
- Unrealized (gain) / loss on investments	(1,708,587)	-
- Loss on disposal of investments - net	738,755	-
- Finance cost	33,405	39,753
	<u>197,593</u>	<u>39,753</u>
Cash generated from operating activities before working capital changes	1,906,070	6,990,021
<b>(Increase) / decrease in current assets:</b>		
Trade receivables	(5,320,878)	(26,182,472)
Loans and advances	1,746,230	(451,933)
Short term deposits and prepayments	(75,416,606)	(849,189)
<b>Increase / (decrease) in current liabilities:</b>		
Trade payables and other payables	63,114,956	19,358,418
	<u>(15,876,298)</u>	<u>(8,125,176)</u>
Financial charges paid	(33,405)	(39,753)
Taxes paid	(1,182,997)	(4,263,535)
<b>Net cash (used in) / generated from operating activities</b>	<u>(15,186,630)</u>	<u>(5,438,443)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(1,488,354)	(917,140)
Acquisition of intangible assets	(241,250)	-
Short term investments - net	27,205	1,689,999
Long term deposits	84,600	-
<b>Net cash used in investing activities</b>	<u>(1,617,799)</u>	<u>772,859</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	<u>(16,804,429)</u>	<u>(4,665,584)</u>
Cash and cash equivalents at the beginning of the year / period	49,196,800	38,278,559
<b>Cash and cash equivalents at the end of the year / period</b>	<u>32,392,371</u>	<u>33,612,975</u>

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

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**DARSON SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

**Note**

**1 STATUS AND NATURE OF BUSINESS**

Darson Securities (Private) Limited ("the Company") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having CIUN 0041048 as a private limited company on March 11, 2000. The Company is a TREC holder of Pakistan Stock Exchange Limited and had also acquired membership of the Pakistan Mercantile Exchange Limited (Formerly National Commodity Exchange Limited). It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The registered office of the Company is situated at Room no. 102, 1st Floor, Lahore Stock Exchange Building, Lahore.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

These condensed interim financial statements ("the interim financial statements") have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- Interim Accounting Standards 34: Interim Financial Reporting (IAS 34), issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act)
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. Comparative figures for condensed interim statement of financial position are stated from annual audited financial statement of the company for the year ended June 30, 2019, whereas comparative for condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow are extracted from the condensed interim financial information of the company for six month ended December 31, 2018.

**2.3 Basis of Measurement**

These condensed interim financial statements have been prepared on the basis of 'historical cost' convention, except for certain short term investments which are stated at fair value and as otherwise stated in respective policy notes.

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

**2.4 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan rupees, which is the functional and presentation currency of the Company and rounded-off to the nearest rupee unless otherwise stated.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended June 30, 2019. With effect from July 01, 2019, the Company has adopted International Financial Reporting Standard (IFRS) 16 Leases. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduced a single lessee accounting model. The Company does not have any operating leases, hence the adoption of International Financial Reporting Standard (IFRS) 16 does not have any impact on the amounts recognized in prior periods and is not expected to affect the current period and future periods.

**4. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial statements in conformity with International Accounting Standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at June 30, 2019.



	(Un-audited) December 31, 2019	(Audited) June 30, 2019
<b>5</b>	<b><u>PROPERTY AND EQUIPMENT</u></b>	
	Owned assets	79,641,177
		79,269,093
<b>6</b>	<b><u>INTANGIBLE ASSETS</u></b>	
	Trading Right Entitlement Certificate	2,500,000
	Membership - Pakistan Mercantile Exchange Limited (PMEX)	1,000,000
		3,500,000
	Rooms	50,552,165
	Website and Software	223,500
		-
	<b>54,275,665</b>	<b>54,052,165</b>
<b>7</b>	<b><u>LONG TERM INVESTMENTS</u></b>	
	<b>Investments - at cost</b>	
	- LSE Financial Services Limited	3,846,040
		3,846,040
	<b>Investments - at fair value through profit or loss account</b>	
	- Pakistan Stock Exchange Limited	7.1
		-
		5,209,597
	<b>3,846,040</b>	<b>9,055,637</b>
<b>7.1</b>	In August 2019, 400,738 ordinary shares of Pakistan Stock Exchange Limited (PSX) previously marked as frozen by the Central Depository Company of Pakistan Limited (CDC) were un-frozen and re-classified as 'available' in its accounts balance report. Since, as at December 31, 2019, the Company intends to dispose of the investment in due course of time, it was reclassified as short term investment.	
<b>8</b>	<b><u>LONG TERM DEPOSITS</u></b>	
	Deposit with CDC	200,000
	Deposit with PSX	200,000
	Deposit with NCCPL	1,200,000
	Deposit with PMEX	100,000
	Deposit with PSO	243,450
	Deposit with Landlord against property	1,615,400
		1,700,000
	<b>3,558,850</b>	<b>3,643,450</b>
<b>9</b>	<b><u>TRADE RECEIVABLE</u></b>	
	Trade debts - considered good	43,552,353
	Trade debts - considered doubtful	38,231,475
		-
	<b>43,552,353</b>	<b>38,231,475</b>
<b>9.1</b>	As at December 31, 2019, the Company holds capital securities having fair value of Rs. 229,737,340/- (June 2019: Rs. 172,627,640/-) owned by its clients, as collaterals against trade debts.	
<b>9.2</b>	<b>Aging analysis</b>	
	The aging analysis of trade debt is as follows:	
	Upto fourteen days	35,369,227
	more than fourteen days	28,931,787
		8,183,126
		9,299,688
	<b>43,552,353</b>	<b>38,231,475</b>
<b>10</b>	<b><u>SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</u></b>	
	PMEX clearing deposit	1,131,284
	PMEX margin deposit	1,517,654
	NCCPL	-
	Exposure margin deposit - future	3,582,294
	Exposure margin deposit - ready	3,079,631
	Prepayments & other receivables	82,410,339
		14,550,000
		28,100,000
		21,350,000
	<b>3,646,666</b>	<b>2,194,199</b>
	<b>118,870,583</b>	<b>43,453,977</b>

10.1 These represent deposits with National Clearing Company of Pakistan Limited, Pakistan Mercantile Exchange Limited against exposure arising out of trading in securities and commodities in accordance with the regulations of the Pakistan Stock Exchange Limited, National Clearing Company Pakistan Limited and Pakistan Mercantile Exchange Limited.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
<b>11</b>	<b><u>SHORT TERM INVESTMENTS</u></b>		
	Financial assets at fair value through profit or loss - held for trading:	<b>55,918,642</b>	<b>49,766,418</b>
<b>12</b>	<b><u>CASH AND BANK BALANCES</u></b>		
	Cash in hand	469,712	294,451
	Cash at bank - <i>in current accounts</i>	12.1 31,922,659	48,902,349
		<b>32,392,371</b>	<b>49,196,800</b>
<b>12.1</b>	<b>Cash at bank</b>		
	- in house accounts	1,295,047	19,912,808
	- at client accounts	30,597,605	27,971,222
	- PMEX account	30,007	1,018,319
		<b>31,922,659</b>	<b>48,902,349</b>
<b>13</b>	<b><u>TRADE AND OTHER PAYABLES</u></b>		
	Trade creditors	84,555,263	31,042,103
	Accrued expenses	12,601,029	3,745,256
	Provision for taxation	746,023	-
		<b>97,902,315</b>	<b>34,787,359</b>
<b>14</b>	<b><u>CONTINGENCIES AND COMMITMENTS</u></b>		
	There are no known contingencies and commitments as at Dec 31, 2019 (June 30, 2019 : NIL).		
		Un-audited Six months ended	Un-audited Quarter ended
		December 31, 2019	December 31, 2018
		December 31, 2018	December 31, 2019
	Note	----- (Rupees) -----	
<b>15</b>	<b><u>BROKERAGE REVENUE</u></b>		
	Brokerage Income	<b>33,363,434</b>	25,725,139
		<b>24,401,517</b>	14,148,826
<b>16</b>	<b><u>ADMINISTRATIVE AND GENERAL EXPENSES</u></b>		
	Salaries and other benefits	20,681,352	12,022,365
	Directors remuneration	1,110,000	960,000
	Insurance expenses	158,086	-
	CDC and NCCPL charges	1,440,118	1,344,093
	Clearing house commission	801,808	768,283
	Utility expenses	2,237,681	1,704,246
	Fee and other regulatory charges	192,347	503,634
	Computer expenses	1,608,354	1,140,305
	Legal and professional charges	1,376,198	1,663,606
	Entertainment	2,507,819	1,261,997
	Donation	125,000	-
	Rent expense	609,600	579,000
	Repair and maintenance	3,039,548	1,769,382
	Printing and stationery	812,990	439,580
	Communication and postage	182,502	310,437
	Depreciation	1,116,270	-
	Amortization	17,750	-
	Traveling and conveyance	272,251	78,203
	Miscellaneous charges	37,497	125,864
	Audit remuneration	100,000	-
	SECP transaction fee	160,365	145,227
		<b>38,587,536</b>	24,816,222
		<b>20,991,009</b>	10,720,310
<b>17</b>	<b><u>FINANCE COST</u></b>		
	Bank charges	<b>33,405</b>	39,753
		<b>18,293</b>	23,852
<b>18</b>	<b><u>OTHER OPERATING INCOME</u></b>		
	Other miscellaneous income	<b>4,841,285</b>	5,507,714
		<b>2,898,415</b>	3,194,474
		<b>4,841,285</b>	5,507,714
		<b>2,898,415</b>	3,194,474

19 <b>PROFIT PER SHARE</b>		(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
		-----Rupees-----	
	There is no dilutive effect on the basic profit per share of the company, which is based on:		
	Profit attributable to ordinary shareholders	962,454	6,959,654
	Weighted average number of ordinary shares	2,000,000	2,000,000
	Profit per share	0.48	3.48

## 20 **RELATED PARTY TRANSACTIONS**

The related parties comprise associated undertaking companies, related group companies and directors of the Company who are also the key management personnel etc. The Company in the 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 during the year are disclosed in 16 notes to the accounts. However, details of other transactions with the related parties have been specifically disclosed elsewhere in these financial statements, are as under:

Relationship with party	Nature of transactions	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
Chief Executive Officer	Trade Receivables	1,626,890	-
	Brokerage Commission earned	240,936	107,990
Chief Financial Officer	Trade Receivables	1,314,489	457,238
	Brokerage Commission earned	18,136	16,250

## 21 **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial risk measurement objectives and policies are consistent with those disclosed in the preceeding audited annual financial statements of the Company for the year ended June 30, 2019.

## 22 **RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**

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.

### i) 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 and Long term investment the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits and long term investment has not been determined and their carrying value has been assumed to be equal to their fair value.

### ii) Valuation techniques and inputs used

For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

### iii) 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 held for trading has been categorized as level 1.

Level	Un-audited December 31, 2019		Audited June 30, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
-----Rupees-----				
<b>Financial assets carried at Fair Value:</b>				
Long term investments	1	-	5,209,597	5,209,597
Short term investments	1	55,918,642	49,766,418	49,766,418

### iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these condensed interim financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost.

### v) Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods;

a) **Non-derivative financial assets**

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

b) **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**23 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of reporting periods as shown in the condensed interim statement of cash flows are reconciled to the related items in the condensed interim statement of financial position as follows:

	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
	-----Rupees-----	
Cash in hand	469,712	173,545
Cash at bank	1,325,054	1,462,077
- in house accounts	30,597,605	31,977,353
- at client accounts	<u>32,392,371</u>	<u>33,612,975</u>

**24 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on March 09, 2020 by the Board of Directors of the Company.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR