DIGITAL CUSTODIAN COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGITAL CUSTODIAN COMPANY LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Digital Custodian Company Limited (the Company), which comprise the statement of financial position as at June 30, 2022 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, 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, 2022 and of the loss, comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan 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 annual 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 the audit of 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 in the work we have performed, we conclude that there is a material misstatement of this 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, statement of changes in equity and 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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shahzad Ali.

Yusuf Adil

Chartered Accountants

Place: Islamabad
Date: October 27, 2022
UDIN: AR202210134tuQLObRof

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	NOTE	June 30, 2022	June 30, 2021
		-------------Rupees-----------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	20,306,169	6,618,698
Intangible assets	7	352,996,786	92,423
Long term deposit	8	2,080,400	1,207,000
Investment in associate	9	84,545,573	-
Deferred tax	10	930,380	184,723
		460,859,308	8,102,844
CURRENT ASSETS			
Trade debts	11	5,961,087	4,111,258
Investments	12	1,844,467	87,088,258
Deposits, prepayments and other receivables	13	1,697,403	1,671,183
Advance income tax - net	14	3,303,730	3,045,379
Cash and bank balances	15	51,677,023	2,423,460
		64,483,710	98,339,538
TOTAL ASSETS		525,343,018	106,442,382
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital			
Authorized share capital			
50,000,000 (June 2021: 50,000,000) Ordinary shares of Rupees 10 each		500,000,000	500,000,000
Paid up share capital	17	111,100,000	50,000,000
Share Premium		48,900,000	-
Reserves - Unappropriated Profit		(14,623,291)	52,797,074
Total Equity		145,376,709	102,797,074
NON-CURRENT LIABILITIES			
Lease liabilities	16	8,842,242	-
Payable against intangibles	19	332,741,116	
CURRENT LIABILITIES			
Lease liabilities - current portion	16	4,141,576	-
Payable against intangibles - current portion	19	29,926,651	
Accrued and other liabilities	18	4,314,723	3,645,308
TOTAL LIABILITIES		379,966,309	3,645,308
TOTAL EQUITY AND LIABILITIES		525,343,018	106,442,382
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 34 form an integral of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	NOTE	June 30, 2022	From January 01, 2021 to June 30, 2021
		-------------Rupees-----------	
Operating income	21	**53,523,603**	24,009,215
Operating and administrative expenses	22	**(74,270,696)**	(22,453,560)
Operating (loss) / profit		**(20,747,093)**	1,555,655
Fair value gain on investments classified at fair value through Profit or Loss	12	**317,012**	71,717
Share of profit / (loss) of associate for the period	9	**675,145**	-
Finance Cost	24	**(2,157,288)**	-
Other income	23	**4,561,139**	2,929,159
Profit / (loss) before tax		**(17,351,085)**	4,556,531
Provision for taxation	25	**(4,500,658)**	(2,844,122)
Profit / (loss) after taxation		**(21,851,743)**	1,712,409
			Restated
(Loss) / Earnings per Share - basic and diluted		**(1.97)**	0.34

The annexed notes from 1 to 34 form an integral of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	From January 01, 2021 to June 30, 2021
	-------------Rupees-----------	
Profit / (loss) after tax	**(21,851,743)**	1,712,409
Share of profit from associates undertaking - under equity method	**4,431,378**	
Other comprehensive income	-	-
Total comprehensive (loss) / income	**(17,420,365)**	**1,712,409**

The annexed notes from 1 to 34 form an integral of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share Capital	Share Premium	Reserves - Unappropriated profit	TOTAL
	----------	----------	Rupees	----------
Balance as at January 01, 2021	27,500,120		73,584,545	101,084,665
Profit for the period	-		1,712,409	1,712,409
Other comprehensive income	-		-	-
Bonus shares Issued during the period	22,499,880		(22,499,880)	-
Balance as at June 30, 2021	**50,000,000**		**52,797,074**	**102,797,074**
Profit for the period	-	-	**(21,851,743)**	**(21,851,743)**
Other comprehensive income	-	-	**4,431,378**	**4,431,378**
Shares issued	**11,100,000**	-	-	**11,100,000**
Share premium	-	**48,900,000**	-	**48,900,000**
Bonus shares issued during the period	**50,000,000**	-	**(50,000,000)**	-
Balance as at June 30, 2022	**111,100,000**	**48,900,000**	**(14,623,291)**	**145,376,709**

The annexed notes from 1 to 34 form an integral of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIGITAL CUSTODIAN COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	From January 01, 2021 to June 30, 2021
	-------------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(17,351,085)	4,556,531
Adjustments for non cash charges and items		
Depreciation	9,955,111	1,105,091
Amortisation	9,062,998	6,907
Dividend Income	(4,046,113)	(2,904,585)
Share of associates on investments	(675,145)	-
Capital Loss on redemption of Investments	-	(2,753)
Fair Value (gain)/loss on investments through profit or loss	(317,012)	(71,717)
Cash flows before working capital changes	(3,371,246)	2,689,474
(Increase) / decrease in current assets		
Trade debts	(1,849,829)	821,737
Deposits, prepayments and other receivables	(26,220)	(539,516)
	(1,876,049)	282,221
(Decrease) / Increase in current liabilities		
Accrued and other liabilities	669,415	1,268,840
Cash generated from operating activities	(4,577,880)	4,240,535
Income tax paid	(5,504,666)	(2,225,012)
Net cash Generated from operating activities	(10,082,546)	2,015,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchased during the year	(7,986,800)	(5,961,433)
Intangibles purchased during the year	(361,967,362)	-
Investments made during the year	(3,439,197)	-
Dividend Income	4,046,113	-
Proceeds on redemption of investments	89,000,000	2,000,000
Modaraba Al Mali right subscription	(79,439,050)	-
Long term deposit	(873,400)	(120,000)
Net cash used in investing activities	(360,659,696)	(4,081,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	(2,671,963)	-
Payable against intangibles	362,667,768	-
Share capital issued	60,000,000	-
Net cash generated from financing activities	419,995,804	-
Net increase / (decrease) in cash and cash equivalents	49,253,563	(2,065,910)
Cash and cash equivalents at the beginning of the year	2,423,460	4,489,370
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	51,677,023	2,423,460

The annexed notes from 1 to 34 form an integral of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

1 THE COMPANY AND ITS OPERATIONS

Digital Custodian Company Limited (Formerly MCB Financial Services Limited) {"the Company"} was incorporated on February 12, 1992 under the Companies Ordinance, 1984 (now, the Companies Act, 2017) as a private limited company. The Company converted its status from Private Limited Company to Unlisted Public Limited Company on June 19, 2009.

The principal objects of the Company are to act as Trustee of investment trust schemes, voluntary pension schemes, and real estate investment trust schemes, to provide custodian services and to act as transfer agent/share registrar of securities of listed and unlisted companies and mutual fund etc.

2 During the year, due to change in agreement between ISE Towers Reit Managment Company Limited and Info tech Private limited (i.e. shareholders of Digital Custodian Company Limited (DCCL)) and consequent change in composition of board of directors of DCCL on May 13, 2022 (effective date), the ISE Towers Reit Managment lost its control over DCCL. Accordingly, the ISE Towers Reit Managment has derecognized its investment in DCCL as subsidiary and reclassified it as associated company in accordance with the requirement of the reporting framework

3 BASIS OF PREPARATION

3.1 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

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

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

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial instruments are included at their fair values in accordance with the recognition / measurement criteria mentioned in the relevant international accounting standards applicable to such instruments. Accrual basis of accounting has been used except for cash flow information.

3.3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follow:

- Useful lives, patterns of economic benefits - Property and equipment and intangible assets	Note 6.1 & 7
- Impairment of financial assets and non-financial assets	Note 5.3(C)
- Allowance for expected credit losses	Note 5.4
- Taxation	Note 5.7
- Staff retirement benefits	Note 5.8
- Provision	Note 5.9

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

4 NEW ACCOUNTING STANDARDS/AMENDMENTS AND IFRS INTERPRETATIONS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, interpretations and the amendments are either not relevant to the Branch's operations or are not expected to have significant impact on the Branch's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022

4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

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

	Effective from accounting period beginning on or after:
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Functional and presentation currency

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency. Amounts presented in PKR have been rounded off to nearest of rupees, unless otherwise stated.

5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and recognized accumulated impairment, if any. Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged from the month in which the assets are disposed off. Depreciation is charged to statement of profit or loss applying the straight line method at the rates given in note 6. The residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the period the asset is de-recognized.

5.2 Intangible assets

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

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

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Intangible asset is amortized from the month when such asset is available for use on straight-line basis over its useful economic life at the rate specified in note 7 and the resulting amortization is charged to statement of profit or loss.

5.3 Financial instruments

Financial instruments carried on the statement of financial position include long term deposit, trade debts, investments, other receivables, cash and bank balances and accrued and other liabilities etc.

a) Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss in the context of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i- Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets which are not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss.

Gains and losses arising on financial assets at amortized cost and financial assets at fair value through profit or loss are recognized in the statement of profit or loss. Interest calculated under effective interest method, dividend, impairment and foreign exchange gains and losses on financial assets at fair value through other comprehensive income are also recognized in the statement of profit or loss. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income are recognized in other comprehensive income and are reclassified to statement of profit or loss on derecognition or reclassification.

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

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

b) Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

c) Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost and at fair value other comprehensive income is calculated on basis of "expected credit losses" model.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statement of profit or loss.

d) De-recognition

i. Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

ii. Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

e) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.4 Trade debts and other receivables

Trade debts and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach for measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

5.5 Right-of-use assets and their related lease liability

i Right of-use assets

At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any premeasurement of lease liabilities and prepayments. .

Right-of-use assets are depreciated over the shorter of the lease term or the expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

ii **Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

5.6 Trade and other payables

Trade and other payables are stated at cost, which is fair value of consideration to be paid in future for goods and services received.

5.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits and rebates, if any. The charge for the current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the period.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The Company recognizes deferred tax asset on all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items credited or charged to comprehensive income or directly to the equity, in which case it is adjusted in statement of comprehensive income or statement of changes in equity.

5.8 Staff retirement benefits

The Company operates provident Company scheme covering all permanent employees. Contributions @ 8.33% per month are made both by the Company and employees to the Company.

5.9 Provisions

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

5.10 Revenue recognition

Revenue and income from different sources is recognized as under:

- Revenue from trusteeship and custodian business is recognized when the Company satisfies A performance obligation by rendering promised services as per respective agreements.

- Dividend income is recognized when the Company's right to receive dividend is established.
- profit on bank Balances is accounted for on time proportion basis.

5.11 Related party transactions and transfer pricing

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

5.12 Dividend and transfer of reserves

Dividend and transfers among reserves declared after reporting date are treated as post statement of financial position non-adjusting events hence do not qualify for recognition in these financial statements. These transfers are, therefore, recorded in the next period's financial statements.

5.13 Share capital

Ordinary shares are classified as equity.

5.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Company does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

6 PROPERTY AND EQUIPMENT

	Note	June 30, 2022	June 30, 2021
		Rupees	
Fixed assets	6.1	**20,306,169**	5,618,698
Capital work in progress		-	1,000,000
		20,306,169	6,618,698

6.1 Fixed Assets

	Computer	Furniture	Equipment	Vehicles	Right of Use Asset	Total
Cost			Rupees			
Balance as at January 1, 2021	2,305,712	2,794,765	3,690,023	2,810,000	-	11,600,500
Additions during the period	2,467,250	2,029,183	465,000	-	-	4,961,433
Balance as at June 30,2021	4,772,962	4,823,948	4,155,023	2,810,000	-	16,561,933
Balance as at July 1,2021	**4,772,962**	**4,823,948**	**4,155,023**	**2,810,000**	-	**16,561,933**
Additions during the period	**2,017,454**	**3,527,902**	**3,441,444**	-	**15,655,781**	**24,642,581**
Transfer from CWIP	-	-	-	-	-	-
Balance as at June 30,2022	**6,790,416**	**8,351,850**	**7,596,467**	**2,810,000**	**15,655,781**	**41,204,514**
Accumulated depreciation						
Balance as at January 1, 2021	1,821,484	2,309,202	2,897,459	2,809,999	-	9,838,144
Charge for the period	344,277	405,602	355,211	-	-	1,105,090
Balance as at June 30, 2021	2,165,761	2,714,804	3,252,670	2,809,999	-	10,943,234
Balance as at July 1,2021	**2,165,761**	**2,714,804**	**3,252,670**	**2,809,999**	-	**10,943,234**
Charge for the period	**1,100,583**	**934,557**	**757,345**	-	**7,162,626**	**9,955,111**
Balance as at June 30,2022	**3,266,344**	**3,649,361**	**4,010,015**	**2,809,999**	**7,162,626**	**20,898,345**
Carrying amount as at June 30, 2021	2,607,201	2,109,144	902,353	1	-	5,618,699
Carrying amount as at June 30, 2022	**3,524,072**	**4,702,489**	**3,586,452**	**1**	**8,493,155**	**20,306,169**
Depreciation rate per annum	**25%**	**10%-20%**	**20%-33.33%**	**20%**		

7 INTANGIBLE ASSETS

	Note	June 30, 2022 Black Chain Software	Accounting software	Operational software	Total
		----------Rupees----------			
As at July 1, 2021					
Cost		-	143,136	40,000	183,136
Accumulated amortization		-	(77,714)	(12,999)	(90,713)
Net book value		-	65,422	27,001	92,423
As at June 30, 2022					
Opening net book value			65,422	27,001	92,423
Additions - at cost	7.1	361,967,362	-	-	361,967,362
Amortization		(9,049,184)	(9,814)	(4,000)	(9,062,998)
Closing net book value		352,918,178	55,608	23,001	352,996,787
As at June 30, 2022					
Cost		361,967,362	143,135	40,000	362,150,497
Accumulated amortization		(9,049,184)	(87,528)	(16,999)	(9,153,711)
Net book value		352,918,178	55,607	23,001	352,996,786

	June 30, 2021 Black Chain Software	Accounting software	Operational software	Total
	----------Rupees----------			
As at January 1, 2021				
Cost	-	143,136	40,000	183,136
Accumulated amortization	-	(72,807)	(10,999)	(83,806)
Net book value	-	70,329	29,001	99,330
As at June 30, 2021				
Opening net book value	-	70,329	29,001	99,330
Additions - at cost	-	-	-	-
Amortization	-	(4,907)	(2,000)	(6,907)
Closing net book value	-	65,422	27,001	92,423
As at June 30, 2021				
Cost	-	143,136	40,000	183,136
Accumulated amortization	-	(77,714)	(12,999)	(90,713)
Net book value	-	65,422	27,001	92,423
Amortization rate per annum	5%	10%	10%	

7.1 During the year on March 31, 2022 Digital Custodian Company Limited has entered into an agreement with Assetplex limited whereby the Parties agreed the digital platform developed by the Assetplex shall be deemed to fall under the ownership and shall always belong to and vest with DCCL.

As per aforementioned agreement, DCCL is required to pay an agreegate consideration amounting to Rupees 704 Million for the right to use and own digital platform plus its associated goodwill with effect from January 01, 2022 (effective date) over a period of next five and a half year (5.5 years) the present value for which as at June 30, 2022 amount to Rs. 362 Million

8 LONG TERM DEPOSITS	Note	June 30, 2022	June 30, 2021
		----Rupees----	
Central Depository Company of Pakistan Limited		200,000	100,000
Yaqoob Trading Company	8.1	1,685,400	987,000
ISE Towers REIT Management Company Limited		195,000	120,000
		2,080,400	1,207,000

8.1 This represents security deposit paid to the landlord against rented property.

9 INVESTMENT IN ASSOCIATE		June 30, 2022	June 30, 2021
		----Rupees----	
Associated Company			
Modarba Al Mali Strategic Holding	9.1	84,545,573	-

9.1 Modarba Al Mali Strategic Holding	Note	June 30, 2022	June 30, 2021
		----Rupees----	
Investment - at cost	9.2	79,439,050	-
Share in post acquisition profits brought forward		-	-
Share in profits for the year		675,145	-
Share in other comprehensive gain/(loss) for the year		4,431,378	-
Dividend received during the year		-	-
		5,106,523	-
		84,545,573	-
Number of certificates of Rs 10 each		7,943,905	-
Investment as percentage of the total paid-up capital of the Modaraba certificates		10.00%	0.00%

9.2 This represents the value of the Modaraba certificates held by the Company, which is calculated under the equity method as the Company holds 10% stake in the Modaraba fund. The carrying value has been determined on the basis of the total value of the Modaraba, without taking into consideration the market value of the same.

Modaraba Al-Mali is a multipurpose and perpetual Modaraba floated on July 8, 1987. It is being managed by BankIslami Modaraba Investments Limited, whose name is being changed to AssetPlex Modaraba Management Limited. The Modarba is listed on Pakistan Stock Exchange Limited. The registered office of the Modarba is relocated to 505, 5th floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab (previously situated at 10th floor, progressive square, Shahrah-e-faisal, Karachi)

The summarized financial information in respect of Modarba Al Mali is set out below. The summarized financial information represents the amounts shown in the associate's financial statements for the respective year.

	June 30, 2022	June 30, 2021
	-------------Rupees-----------	
Current assets	402,013,255	124,156,751
Non-current assets	924,801,546	165,235,189
Current liabilities	(199,155,152)	19,635,124
Non-current liabilities	(104,594)	115,000
Income	44,053,261	5,831,723
Profit or loss from continuing operations	11,184,831	(2,228,311)
Post-tax profit/(loss) from discontinued	27,206,729	36,014,148
Profit/(loss) for the year	38,391,560	33,785,837
Other comprehensive income for the year	251,986,687	(6,928)
Total comprehensive income for the year	290,378,247	33,778,909
Dividends received from the associate during the year	-	-

Reconciliation of the above summarized financial information to the carrying amount of the interest in the Modarba Al Mali recognized in the financial statements:

	June 30, 2022	June 30, 2021
	-------------Rupees-----------	
Net assets of the associate	1,127,555,055	269,641,816
Proportion of the Group's ownership	10%	-
Goodwill	-	-
Other adjustment	(4,294,552)	-
Apportionement of Share of profit of Associate	(23,936,825)	-
Carrying amount of the Group's interest in Foreign Land Company Limited	84,545,573	-

	Note	June 30, 2022	June 30, 2021
10 DEFERRED TAXATION		-------------Rupees-----------	
Deferred tax asset\(liability)		**930,380**	184,723
Deferred tax asset/liability comprises of:			
Deductible / (taxable) temporary differences on account of			
Depreciation on property and equipment		**(373,916)**	184,070
Depreciation on Right of use Asset		**(2,463,015)**	-
Lease Liability		**3,765,307**	
Amortization of intangible assets		**2,004**	653
		930,380	184,723

11 TRADE DEBTS - CONSIDERED GOOD & UNSECURED

It represents amount due from other than related parties which is past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.The ageing analysis of these trade debts is as follows:

	June 30, 2022 Rupees	June 30, 2021 Rupees
Not yet due	-	-
Upto 1 month	**4,202,374**	3,469,815
1 to 6 months	**1,322,314**	613,186
More than 6 months	**436,399**	28,257
	5,961,087	4,111,258

12	INVESTMENT	Note	June 30, 2022	June 30, 2021
			------------Rupees----------	
	At fair value through profit or loss			
	Cash Management Optimizer Fund	12.1	**1,844,467**	87,088,258
			1,844,467	87,088,258

		Note	June 30, 2022	June 30, 2021
			------------Rupees----------	
12.1	**Cash Management Optimizer Fund**			
	Opening balance		**87,088,258**	86,544,893
	Dividend reinvested during the year -		**3,439,197**	2,468,895
	Redemption during the year -		**(89,000,000)**	(1,997,247)
	Unrealized gain / (loss) on fair value of investments		**317,012**	71,717
			1,844,467	87,088,258
13	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits		-	5,000
	Custody fee and other receivables		**508,427**	-
	Prepayments		**775,448**	1,427,637
	Other receivables - considered good & unsecured		**413,528**	238,546
			1,697,403	1,671,183
14	**ADVANCE INCOME TAX - NET**			
	Balance refundable at the beginning of the period/year		**3,045,379**	2,987,682
	Current year			
	Tax deducted at source		**4,790,105**	2,225,013
	Provision for taxation		**(4,531,754)**	(2,167,316)
	Balance refundable at the end of the period/year		**3,303,730**	3,045,379
15	**CASH AND BANK**			
	Cash in hand		**56,710**	47,416
	Cash at bank			
	- Current account		**226,486**	2,373,099
	- Savings account	**15.1**	**51,393,827**	2,945
			51,677,023	2,423,460

15.1 This carries profit on savings account at the rate 9% to 12% (June 2021: 5.5% to 9.5%) per annum.

16	Lease liabilities included in the statement of financial position	June 30, 2022	June 30, 2021
		------------Rupees----------	
	Current lease liability	**4,141,576**	-
	Non current lease liability	**8,842,242**	-
		12,983,818	-

Maturity analysis - contractual undiscounted cashflows	June 30, 2022	June 30, 2021
	-------------Rupees-----------	
Less than one year	4,372,487	-
One to five years	11,158,207	-
More than five years	-	-
Total undiscounted lease liabilities	15,530,694	-

17 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

17.1 Authorized share capital

June 30, 2022	June 30, 2021	Note	June 30, 2022	June 30, 2021
Number of shares			------------- Rupees ------------	
50,000,000	50,000,000	Shares of Rupees 10 each	500,000,000	500,000,000

17.2 Issued, subscribed and paid up capital

11,110,000	5,000,000	Ordinary shares of Rupees 10 each fully paid in cash	111,100,000	50,000,000

17.3 The shareholding structure of the Company is as under:	June 30, 2022	June 30, 2021
	------------- Number ------------	
InfoTech (Private) Limited	5,099,990	4,499,990
AssetPlex Limited	3,900,000	-
LSE Financial Services Limited	1,110,000	-
ISE Towers REIT Management Company Limited	1,000,000	500,000
Others	10	10
	11,110,000	5,000,000

17.4 Reconciliation of number of shares outstanding

		------------- Number ------------	
Ordinary Shares			
Number of shares outstanding at beginning of the year		5,000,000	2,750,012
Issued for cash		1,110,000	-
Bonus issue	17.5	5,000,000	2,249,988
Number of shares outstanding at end of the year		11,110,000	5,000,000

17.5 The Board of Directors through resolution by circulation on July 07, 2021 approved issuance of bonus shares in ratio of hundered for every hundred for every hundred shares held amounting to Rs 50 million.

			June 30, 2022	June 30, 2021
18	ACCURED AND OTHER LIABILITIES	Note	-------------Rupees-----------	
	Accrued liabilities		**1,763,254**	2,115,194
	Payable to SECP against annual fee		**2,551,469**	1,005,114
	Director's fee payable		-	525,000
			4,314,723	3,645,308

19	**PAYABLE AGAINST INTANGIBLES**			
	Balance at beginning of the year		-	-
	Liability incurred during the year	7.1	**361,967,362**	-
	Unwinding of discount on liability		**700,406**	-
	Balance at end of the year	19.1	**362,667,768**	-
	Current portion of payables		**(29,926,651)**	-
	Non-current portion of payables		**332,741,116**	-
	Discount rate per annum		**17.64%**	-
19.1	**Payable against intangibles**			
	Payable within one year		29,926,651	-
	Payable in more than one year and less than five years		332,741,116	-
			362,667,768	-

20 **CONTINGENCIES AND COMMITMENTS**

20.1 **Contingencies**

There were no contingencies as at the reporting date (2021: Nil).

20.2 **Commitments**

There were no commitments as at the reporting date (2021 : 3.2 million)

			June 30, 2022	From January 01, 2021 to June 30, 2021
21	OPERATING INCOME	Note	-------------Rupees-----------	
	Trusteeship business	21.2	**42,888,365**	18,989,931
	Custodial business	21.3	**9,973,388**	5,019,284
	Share registrar income	21.4	**261,850**	-
	Debt securities trustee income	21.5	**400,000**	-
			53,523,603	24,009,215

21.1 Sindh sales tax on revenue charged during the year amounted to Rupees. 6,686,969 (June 2021: Rupees 3,153,898).

21.2 During the year, the Company provided trusteeship services to 34 mutual funds (June 2021: 34). The remuneration has been received from these funds at different rates in accordance with respective agreements.

21.3 During the year, the Company provided custodial services to 56 (June 2021: 56) clients. Custodial fee has been charged as per agreements with such clients.

21.4 During the year, the Company provided share registrar services to 4 (June 2021: 0) clients. Fee has been charged as per agreements with such clients.

21.5 During the year, the Company provided debt securities trustee services to 1 (June 2021: 0) client. Fee has been charged as per agreements with such clients.

22	OPERATING AND ADMINISTRATIVE EXPENSES	Note	June 30, 2022	From January 01, 2021 to June 30, 2021
			-------------Rupees-----------	
	Salary allowances and benefits	22.1	**39,190,366**	14,082,942
	Director's fee		**90,000**	1,050,000
	Auditor Remuneration	22.2	**1,100,000**	154,000
	Computer & technical support		**1,914,851**	585,482
	Custody charges		**104,149**	64,439
	Utility expense		**1,564,523**	343,289
	Entertainment		**1,274,538**	427,015
	Insurance		**277,771**	654,641
	Miscellaneous expense		**702,718**	79,878
	Conveyance and travelling		**1,464,361**	13,390
	Postage		**111,836**	116,031
	Rent, rate and taxes		**185,368**	1,479,687
	Repaire & maintenance		**1,123,134**	411,476
	Stationary, stamps & notary public expense		**320,366**	106,051
	Subscription periodicals		**2,290**	7,001
	Legal, professional & other fees	22.3	**5,826,316**	1,766,241
	Depreciation expenses		**9,955,111**	1,105,090
	Amortisation expense		**9,062,998**	6,907
			74,270,696	22,453,560

22.1 This includes an amount of Rs. 1,052,906 (2021: Rs 763,657) in respect of contribution towards staff provident fund.

22.2	Auditors' remuneration	Note	June 30, 2022	From January 01, 2021 to June 30, 2021
			-------------Rupees-----------	
	Audit fee		**1,000,000**	140,000
	Out of pocket expenses		**100,000**	14,000
			1,100,000	154,000
22.3	**Legal, Professional & Other Fees**			
	Fees & subscription		**730,136**	363,449
	SECP fee		**2,635,106**	1,014,792
	Licensing fee		-	192,500
	Legal & professional fees		**2,461,074**	349,500
			5,826,316	1,766,241
23	OTHER INCOME			
	From financial assets			
	Dividend income		**4,046,113**	2,904,585
	Profit on savings account		**515,026**	21,821
			4,561,139	2,929,159
24	FINANCE COST			
	Interest expense - Payable to Assetplex		**700,406**	-
	Interest on lease obligation		**1,456,882**	-
			2,157,288	-

25	PROVISION FOR TAXATION	Note	June 30, 2022	From January 01, 2021 to June 30, 2021
			-------------Rupees-----------	
	Current - for the year		4,531,754	2,167,316
	- for prior year			-
	Tax on dividend		606,916	435,689
	CGT		107,645	-
	Deferred taxation		(745,657)	241,117
			4,500,658	2,844,122

26 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

Profit / (loss) after taxation **(Rupees)**	(21,851,743)	1,712,409
Weighted average number of ordinary shares **(Number)**	11,110,000	5,000,000
(Loss) / Earnings per share **(Rupees)**	(1.97)	0.34

27 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVE

The aggregate amount charged in the financial statements for the remuneration, including all benefits, to the Chief Executive Officer and executive are as follows:

	Chief Executive Officer		Executive	
	June 30, 2022	From January 01, 2021 to June 30, 2021	June 30, 2022	From January 01, 2021 to June 30, 2021
	-------------Rupees-----------		-------------Rupees-----------	
Managerial remuneration	1,536,435	1,610,430	4,992,394	1,269,203
Special pay	67,315	80,778	551,235	125,064
Retirements benefits	67,074	134,149	383,608	105,722
House rent allowance	691,396	724,692	2,246,584	571,139
Utilities	153,645	161,046	499,241	126,922
Medical	15,000	18,000	137,933	36,000
Bonus	-	-	-	430,899
Cost of Petrol	84,205	101,046	511,795	-
	2,615,070	2,830,141	9,322,790	2,664,949
Number of persons	2	1	6	1

28 RELATED PARTIES TRANSACTION

28.1 Related parties comprise of aasociated companies, key management personnel of the Company and directors and their close family members, major shareholders of the Company and staff provident fund. Transaction with related parties are on arm's length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the chief executive officer is disclosed in note 26 to the financial statements. The balances with related parties are disclosed in respective notes. The transactions with related parties are as follows:

i. Name and relationship with the Company	Nature of transaction	June 30, 2022	From January 01, 2021 to June 30, 2021
		-------------Rupees-----------	
Associated Companies			
ISE Towers REIT Management Company Limited	Advance Deposit for DCCL Office premises in Islamabad	**120,000**	120,000
ISE Towers REIT Management Company Limited	DCCL Office Rent in Islamabad	-	210,000
Modarba Al Mali	Investment in Associate	**84,545,573**	-

29 STAFF PROVIDENT FUND

The following information is based on un-audited financial statements of the provident fund for the period ended 30 June 2022 and 30 June 2021:

	Note	June 30, 2022	From January 01, 2021 to June 30, 2021
		-------------Rupees-----------	
Size of the fund - total assets		**2,310,010**	3,283,218
Cost of investments		**2,310,010**	3,283,218
Percentage of investments made		**100%**	100%
Fair value of investments		**2,310,010**	3,283,218

	2022	2021	2022	2021
	------------Percentage---------		------------Rupees---------	
Term deposits receipts	-	-	-	-
Bank balances	**100%**	100%	**2,310,010**	3,283,218
	100%	100%	**2,310,010**	3,283,218

29.1 The above investments and placement of funds in special bank account has been made in accordance with the provisions of section 218 of Companies Act, 2017 and the rules formulated for this purpose.

30 **Financial risk management**

30.1 **Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The company is not exposed to currency risk because the company has not entered in to any transaction in foreign currency.

(ii) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk as well as market price risk as the Company has no investment in such instruments.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long-term interest-bearing assets at reporting date. The Company's interest rate risk arises from its bank balances. Financial instruments at variable rate expose the Company to cash flow interest rate risk. Financial instruments with fixed interest rate expose to the Company to fair value interest rate risk. At the reporting date, the interest rate profile of the Company's interest bearing financial instrument was:

	June 30, 2022	June 30, 2021
	-----------Rupees-----------	
Floating rate instrument:		
Bank balances - savings accounts	**51,393,827**	2,945

There were no fixed interest rate bearing financial instruments as at the reporting date.

Cash flow sensitivity analysis for variable rate instruments:

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the period/year would have been Rs. 513,938 (2021: Rs. 29) lower / higher, mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

	June 30, 2022	June 30, 2021
	-----------Rupees-----------	
Long term deposits	**2,080,400**	1,207,000
Trade debts	**5,961,087**	4,111,258
Investments	**1,844,467**	87,088,258
Deposits and other receivables	**1,697,403**	243,546
Bank balances	**51,677,023**	2,376,044
	63,260,380	95,026,106

The credit quality of financial assets that are neither past due not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate:

Counterparty	Rating		Rating agency	June 30, 2022	June 30, 2021
	Short term	Long Term			
				-----------Rupees-----------	
MCB Bank Limited	A1+	AAA	PACRA	**51,677,023**	2,376,044
MCB Cash Management Optimizer	-	AA+(f)	PACRA	**1,844,467**	87,088,258
				53,521,490	89,464,302

Due to the Company's long standing business relationships with the above counterparties and after giving due consideration to its strong financial standing, management does not expect non-performance by the counter party on its obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash to cover current portion of financial liabilities. At June 30, 2022 the Company had Rs. 51.677 million (2021: Rs. 2.423 million) of cash and bank balances. Management believes the liquidity risk to be low.

Contractual maturities of financial liabilities:

As at June 30, 2022	**Within one year**	**Over 1 to 5 years**	**More than 5 years**
	---------Rupees---------		
Payable against intangibles	**29,926,651**	**332,741,116**	-
Lease liabilities	**4,141,576**	**8,842,242**	-
Accrued and other liabilities	**4,314,723**	-	-
As at June 30, 2021			
Payable against intangibles	-	-	-
Lease liabilities	-	-	-
Accrued and other liabilities	3,645,308	-	-

(d) **Recognized Fair Value measurement - Financial Assets**

(i) **Fair value hierarchy**

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	---------------------Rupees---------------------			
Financial asset as at 30 June 2022				
Fair value through profit and loss	**1,844,467**	-	-	**1,844,467**
Financial asset as at 30 June 2021				
Fair value through profit and loss	87,088,258	-	-	87,088,258

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(ii) **Valuation techniques used to determine fair values**

Valuation technique used to value financial instruments includes the use of quoted market prices.

(e) **Recognized fair value measurements - Non-Financial Assets**

There were no any non-financial assets as at June 30, 2022 (2021: Nil) for the recognized fair value measurement.

30.2 **Fair values of financial assets and liabilities**

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values.

30.3 **Financial instruments by categories**

As at June 30, 2022	Amortized cost	Investment at fair value through profit or loss	Total
	----------Rupees----------		
Assets as per statement of financial position			
Long term deposits	**2,080,400**	**-**	**2,080,400**
Investments	**-**	**1,844,467**	**1,844,467**
Trade debts	**5,961,087**	**-**	**5,961,087**
Deposit and other receivables	**921,955**	**-**	**921,955**
Cash and bank balances	**51,677,023**	**-**	**51,677,023**
	60,640,465	**1,844,467**	**62,484,932**

	Amortized cost
Financial liabilities as per statement of financial position	Rupees
Accrued and other liabilities	**4,314,723**

As at June 30, 2021	Amortized cost	Investment at fair value through profit or loss	Total
	----------Rupees----------		
Financial assets as per statement of financial position			
Long term deposits	1,207,000	-	1,207,000
Investments	-	87,088,258	87,088,258
Trade debts	4,111,258	-	4,111,258
Deposit and other receivables	243,546	-	243,546
Cash and bank balances	2,423,460	-	2,423,460
	7,985,264	87,088,258	95,073,522

	Amortized cost
Financial liabilities as per statement of financial position	Rupees
Accrued and other liabilities	3,645,308

31 CAPITAL RISK MANAGEMENT POLICIES AND PROCEDURES

The Company's objective when managing the capital are:

- to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits other stakeholders; and
- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and other means commensurating to the circumstances.

32 NUMBER OF EMPLOYEES	June 30, 2022 Rupees	June 30, 2021 Rupees
The number of employees during the period / year were as follows:		
At period / year end	44	35
Average during the period / year	40	26

33 **AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue on October 21, 2022 by the Board of Directors of the Company.

34 **GENERAL**

No significant reclassification or rearrangement of the corresponding figures have been made during the period in these financial statements.

Figures have been rounded off to nearest Rupee unless otherwise stated.

CHIEF EXECUTIVE OFFICER **DIRECTOR**