

**DOLLAR EAST EXCHANGE  
COMPANY (PRIVATE) LIMITED**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**ILYAS SAEED & CO.**

CHARTERED ACCOUNTANTS

A member of

**mgi worldwide** 

108 - J/3 Model Town, Lahore.

PH: (+92) 042 - 35868849 & 042 - 35861852, FAX: (+92) 042 - 35856145

## **Independent Auditors' Report**

### **To The Members of Dollar East Exchange Company (Private) Limited**

#### **Report on the audit of Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Dollar East Exchange Company (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2024 and the related statement of profit or loss & other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 & other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, other comprehensive income, changes in equity and its cash flows for the year then ended.

#### **Basis For Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises of the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We were not provided with any other information, whatsoever, and thus, 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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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.

The board of directors is 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 the users taken on the basis of the 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 the 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 & other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

**Lahore**  
**Dated: 30 September 2024**  
**UDIN:AR202410278qRbP1Mawo**



**Ilyas Saeed & Co.**  
**Chartered Accountants**

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

ASSETS	Note	2024 Rupees	2023 Rupees
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	68,519,860	67,229,118
Long term investments	5	186,567,352	184,729,113
Long term deposits and prepayments	6	21,384,808	36,033,983
Deferred taxation	7	-	837,089
		<b>276,472,020</b>	<b>288,829,303</b>
<b>CURRENT ASSETS</b>			
Trade deposits and short term prepayments	8	38,015,983	33,819,632
SBP inward incentive receivable	9	58,813,292	167,598,968
Taxation-net	10	-	-
Cash and bank balances	11	1,431,060,368	1,100,082,197
		<b>1,527,889,643</b>	<b>1,301,500,797</b>
		<b>1,804,361,663</b>	<b>1,590,330,100</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	1,200,000,000	1,200,000,000
Accumulated profit		500,952,396	299,640,061
		<b>1,700,952,396</b>	<b>1,499,640,061</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	13	3,305,420	2,886,514
Deferred grant	14	-	-
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	96,889,443	58,561,309
Provision for taxation	10	3,214,404	29,242,216
Current portion of deferred grant	14	-	-
		<b>100,103,847</b>	<b>87,803,525</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16	-	-
		<b>1,804,361,663</b>	<b>1,590,330,100</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**& OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>PARTICULARS</b>	<b>Note</b>	<b>2024 Rupees</b>	<b>2023 Rupees</b>
<b>REVENUE</b>	<b>17</b>	<b>1,141,646,075</b>	<b>1,008,918,712</b>
<b>OPERATING EXPENSES</b>			
Administrative expenses	<b>18</b>	<b>(843,738,401)</b>	<b>(680,720,296)</b>
<b>Operating profit</b>		<b>297,907,674</b>	<b>328,198,416</b>
Other operating expenses	<b>19</b>	-	-
Other income	<b>20</b>	<b>356,143</b>	<b>28,333,174</b>
		<b>298,263,816</b>	<b>356,531,590</b>
Financial charges	<b>21</b>	<b>(4,386,325)</b>	<b>(13,375,473)</b>
Profit before taxation		<b>293,877,491</b>	<b>343,156,117</b>
Taxation	<b>22</b>	<b>(92,565,157)</b>	<b>(112,366,834)</b>
Profit after taxation		<b>201,312,335</b>	<b>230,789,283</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>201,312,335</b>	<b>230,789,283</b>
<b>Earnings per share- basic</b>	<b>23</b>	<b>16.78</b>	<b>19.23</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

PARTICULARS	SHARE CAPITAL	ACCUMULATED PROFIT	TOTAL
	Rupees	Rupees	Rupees
Balance as at June 30, 2022	1,000,000,000	268,850,778	1,268,850,778
Issue of bonus shares during the year	200,000,000	(200,000,000)	-
Profit for the year	-	230,789,283	230,789,283
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	230,789,283	230,789,283
<b>Balance as at June 30, 2023</b>	<b>1,200,000,000</b>	<b>299,640,061</b>	<b>1,499,640,061</b>
Issue of bonus shares during the year	-	-	-
Profit for the year	-	201,312,335	201,312,335
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	201,312,335	201,312,335
<b>Balance as at June 30, 2024</b>	<b>1,200,000,000</b>	<b>500,952,396</b>	<b>1,700,952,396</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

PARTICULARS	Note	2024 Rupees	2023 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before taxation		293,877,491	343,156,117
Adjustments for non-cash & other items:			
Depreciation	4	12,663,308	13,343,762
Amortization of renovation	6.2.1	2,451,998	1,756,222
Gain on sale of vehicles	20	(6,090)	(1,122,919)
Finance charges		4,386,325	13,375,473
Provision for gratuity		-	399,737
Cash flow before working capital		313,373,033	370,908,392
Changes in working capital:			
(Increase) / decrease in current assets			
Trade deposits and short term prepayments		(4,196,351)	(11,270,646)
SBP Inward Incentive Receivable		108,785,676	(75,070,326)
Increase / (decrease) in current liabilities			
Trade and other payables		38,328,134	(35,133,874)
Net working capital changes		142,917,459	(121,474,846)
Finance charges paid		(4,386,325)	(13,375,473)
Gratuity Paid		-	-
Taxes paid		(117,336,974)	(129,405,972)
Total payments made		(121,723,299)	(142,781,445)
<b>Net cash inflow from operating activities</b>		<b>334,567,194</b>	<b>106,652,101</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions in tangible assets	4	(14,058,260)	(13,437,720)
Sale of fixed assets		110,300	2,938,400
Additions in renovation	6	(6,957,754)	(1,006,248)
Long term deposits		19,154,931	(9,451,992)
Long term investment		(1,838,239)	(47,343,371)
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(3,589,022)</b>	<b>(68,300,931)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Right Share issue during the year		-	-
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>330,978,172</b>	<b>38,351,170</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,100,082,197</b>	<b>1,061,731,027</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,431,060,369</b>	<b>1,100,082,197</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 LEGAL STATUS AND NATURE OF BUSINESS**

Dollar East Exchange Company (Private) Limited is a large-sized company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), vide registration No. 0044608 (old 12305/20021102). The Company's registered office is located at 97-A Jail Road, Lahore, Pakistan. The Company has been licensed as Exchange Company by the State Bank of Pakistan vide license number -07 – issued on 02-05-2003. The license has further been renewed up to 31-12-2025. The Company has forty eight (2023: forty five) branches, and nil (2023: nil) franchisees all over the Pakistan as on June 30, 2024.

The principal activity of the Company is to deal in foreign currency notes, coins, postal notes, money orders, bank draft, traveler's cheques and transfers subject to the regulations, terms and conditions as may be specified by the State Bank of Pakistan from time to time.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), 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.

**2.2 New standards, interpretations and amendments to published accounting and reporting standards**

**2.2.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 1, 2023. These are considered either not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**2.2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted**

	<b>Effective Date</b>
IAS 1 Presentation of Financial Statements (Amendments)	1-Jan-24
IAS 7 Statement of Cash Flows (Amendments)	1-Jan-24
IFRS 16 Leases (Amendments)	1-Jan-24
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	1-Jan-25
IFRS 7 Financial Instruments: Disclosures (Amendments)	1-Jan-26
IFRS 17 Insurance Contracts	1-Jan-26
IFRS 9 Financial Instruments - Classification and Measurement of Financial instrument (Amendments)	1-Jan-26

The management is in the process of assessing the impact of these amendments on the financial statements of the Company.

There are certain other new standards, amendments to the published accounting and reporting standards and new interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2023. However, these will not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

Further, the following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	–	First Time Adoption of International Financial Reporting Standards
IFRIC 12	–	Service Concession Arrangement
IFRS 18	–	Presentation and Disclosures in Financial Statements.
IFRS19	–	Subsidiaries without Public Accountability: Disclosures

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

### **2.3 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention.

### **2.4 FUNCTIONAL & PRESENTATION CURRENCY**

These financial statements are presented in Pakistani Rupees which is the Company's functional & presentational currency. Amounts presented in these financial statements have been rounded off to the nearest of rupee, unless otherwise stated.

### **2.5 KEY JUDGMENTS & ESTIMATES**

The preparation of financial statements in conformity with the approved accounting and financial reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgments in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, are stated in the following accounting policies and notes and relate primarily to:

- Useful lives of property, plant and equipment and method of depreciation
- Renovation on rented property.
- Provision for taxation.
- Provision for amortization of amortized cost.

The revisions to accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

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

### **3.1 PROPERTY & EQUIPMENT**

#### **Owned assets**

All the property and equipment have been valued at cost less accumulated depreciation and accumulated impairment losses, if any, except freehold land and capital work in progress which are stated at cost. Cost includes purchase price and all incidental expenses incurred up to the date the asset is put to use.

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**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

The capital work in progress is transferred to fixed assets as and when assets are available for intended use. All expenses including borrowing costs, if any, as per IAS-23, will be capitalized till the time these assets will start economic benefits.

Depreciation on property and equipment is charged to profit on reducing balance method over its estimated useful life so as to write off the historical cost of an asset at the rates specified. Depreciation on additions is charged on the basis of number of days commencing from the day at which assets become available for use, while on disposals, depreciation is charged up to the day of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair & maintenance costs are charged to profit during the period in which they are incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income during the year in which the asset is derecognized.

**Right-of-use asset**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the estimated useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term. The payments associated with such leases are recognised as an expense.

**Ijarah contracts**

Ijarah rentals (Ijarah) under Ijarah contracts are recognized as an expense in the profit and loss account on a straight-line basis over the Ijarah term as per Islamic Financial Accounting Standard issued by SECP vide S.R.O 431(I)/2007 dated May 22, 2007.

**3.2 IMPAIRMENT**

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized as an expense.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment loss(es) been recognized for the asset in prior years.

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3.3 DEFERRED COSTS**

All expenditures incurred during renovation are capitalized unless they are complete and in a condition intended for use by the management. Once the branches are complete and capitalized; the same is amortized over the expected useful life of the renovation. The detailed information and impact of this is provided in Note 6.2 to the financial statements.

**3.4 INVESTMENTS**

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment losses, if so determined.

**3.5 TRADE DEBTORS AND RECEIVABLES**

Trade debtors & other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful, a provision is made and charged to as an expense.

**3.6 TRADE AND OTHER PAYABLES**

Trade & other payables are obligations under normal short term credit terms. These are measured at the undiscounted amount of cash to be paid.

**3.7 PROVISIONS**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably with certainty.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices & conditions and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

**3.8 RELATED PARTY TRANSACTIONS**

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method. Parties are said to be related if they are able to influence the operating and financial decisions of each other. The related parties and associated undertakings comprise associated companies, companies in which directors are interested, staff retirement funds, directors and key management personnel.

**3.9 REVENUE RECOGNITION**

The Company recognizes revenue from contract with customer based on a five step model as set out in IFRS 15.

- i) Identify contract with customer(s): A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

- ii) Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iii) Identify performance obligations in the contract: A performance obligation is a promise in a contract a customer to transfer a good or service to the customer.
- iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- v) Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

### **3.10 TAXATION**

#### **Current**

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any, or minimum tax, whichever is higher as required under the Income Tax Ordinance, 2001.

#### **Deferred**

Deferred taxation is recognized using the balance sheet liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

#### **Off-setting**

Deferred tax assets and liabilities are off-set if there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority.

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**3.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash balances, bank deposits, term deposit receipts and short term borrowings.

**3.12 FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are translated into Pak rupees at the rates of exchange approximating those prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the exchange rates prevailing at the balance sheet date. Current exchange differences are included in profit and loss account.

**3.13 FINANCIAL INSTRUMENTS**

**3.13.1 FINANCIAL ASSETS**

**a) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at it an instrument level. The Company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the assets.

**b) Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments).
- ii) Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to held 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 financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables.

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**c) Derecognition**

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed 'an obligation to pay the received cash flows in full without material delay to a third party under ' a 'pass-through' arrangement; and either.

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**3.13.2 FINANCIAL LIABILITIES**

**a) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**b) Subsequent measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments

Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

**c) Derecognition**

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

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**3.14 STAFF RETIREMENT BENEFITS**

**Gratuity Scheme**

The Company operates a gratuity scheme (defined benefit plan) for its employees, eligible for the scheme, who have completed the qualifying period as defined under the respective scheme.

The amount of liability of each employee is computed by number of years completed multiplied by the last drawn monthly gross salary. The difference between the current and the previous liability is charged to profit or loss account as expense for the year. Gratuity is for regular employees only, which is close to the actuarial valuation estimate, while some employees are on contractual basis who are not entitled to gratuity. However, the company has a policy to pay gratuity each year calculated on current salary of an eligible employee under the scheme.

**Employees' Provident Fund**

The Company operated an un-approved funded provident fund scheme for its permanent employees eligible under the Employees Provident Fund Rules of the Company till the year ended June 30, 2020. The employees and the Company were making equal monthly contributions at the prescribed rates of basic salary. The Company discontinued provident fund scheme and replaced it with gratuity scheme from July 01, 2020. The balance standing to the respected employees were paid during the year June 30, 2020.

**3.15 OFFSETTING**

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

**3.16 DIVIDEND**

Dividend is recognized as liability in the period in which it is approved.

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**4 PROPERTY AND EQUIPMENT**

<b>PARTICULARS</b>	<b>FURNITURE &amp; FIXTURES</b>	<b>VEHICLE</b>	<b>OFFICE EQUIPMENT</b>	<b>COMPUTER &amp; SOFTWARE</b>	<b>TOTAL</b>
<b>COST</b>					
Balance at July 01, 2022	8,434,833	89,355,028	42,221,376	21,041,336	161,052,573
Additions	478,705	5,018,356	1,882,836	6,057,823	13,437,720
Disposals	(38,270)	(2,390,000)	(308,822)	(168,422)	(2,905,514)
Balance at June 30, 2023	<u>8,875,268</u>	<u>91,983,384</u>	<u>43,795,390</u>	<u>26,930,737</u>	<u>171,584,779</u>
<b>Balance at July 01, 2023</b>	<b>8,875,268</b>	<b>91,983,384</b>	<b>43,795,390</b>	<b>26,930,737</b>	<b>171,584,779</b>
<b>Additions</b>	<b>1,063,264</b>	<b>321,600</b>	<b>9,378,458</b>	<b>3,294,938</b>	<b>14,058,260</b>
<b>Disposals</b>	<b>-</b>	<b>-</b>	<b>(156,308)</b>	<b>(45,609)</b>	<b>(201,917)</b>
<b>Balance at June 30, 2024</b>	<u><b>9,938,532</b></u>	<u><b>92,304,984</b></u>	<u><b>53,017,540</b></u>	<u><b>30,180,066</b></u>	<u><b>185,441,122</b></u>
<b>ACCUMULATED DEPRECIATION</b>					
Balance at July 01, 2022	5,056,903	54,299,747	18,863,649	13,881,634	92,101,932
Depreciation for the year	537,100	5,809,740	3,703,611	3,293,311	13,343,762
Disposals	(29,110)	(726,368)	(202,875)	(131,680)	(1,090,034)
Balance at June 30, 2023	<u>5,564,893</u>	<u>59,383,119</u>	<u>22,364,385</u>	<u>17,043,265</u>	<u>104,355,660</u>
<b>Balance at July 01, 2023</b>	<b>5,564,893</b>	<b>59,383,119</b>	<b>22,364,385</b>	<b>17,043,265</b>	<b>104,355,661</b>
<b>Depreciation for the year</b>	<b>549,299</b>	<b>4,917,236</b>	<b>3,792,664</b>	<b>3,404,109</b>	<b>12,663,308</b>
<b>Disposals</b>	<b>-</b>	<b>-</b>	<b>(68,945)</b>	<b>(28,762)</b>	<b>(97,707)</b>
<b>Balance at June 30, 2024</b>	<u><b>6,114,192</b></u>	<u><b>64,300,355</b></u>	<u><b>26,088,104</b></u>	<u><b>20,418,612</b></u>	<u><b>116,921,262</b></u>
<b>CARRYING AMOUNTS</b>					
At June 30, 2023	<u>3,310,375</u>	<u>32,600,266</u>	<u>21,431,005</u>	<u>9,887,472</u>	<u>67,229,118</u>
<b>At June 30, 2024</b>	<u><b>3,824,340</b></u>	<u><b>28,004,629</b></u>	<u><b>26,929,436</b></u>	<u><b>9,761,454</b></u>	<u><b>68,519,860</b></u>
<b>Rate of depreciation</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>30%</b>	<i>ISCO</i>

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4.1	PARTICULARS	SOLD TO	COST	NET BOOK VALUE	SALE PROCEEDS	GAIN/ (LOSS) ON PROCEEDS
	No operating fixed assets having net book value exceeding Rs 500,000 were disposed-off during the year ended June 30, 2024.					
	2023	GIFT University	2,390,000	1,663,632	2,750,000	1,086,368
	<b>2024</b>		-	-	-	-
	Fixed Asset sold having book value less than Rs.500,000					
	2023		515,514	151,849	188,400	36,551
	<b>2024</b>		<b>201,917</b>	<b>104,210</b>	<b>110,300</b>	<b>6,090</b>
	<b>TOTAL</b>					
	YEAR ENDED JUNE 30, 2023		2,905,514	1,815,481	2,938,400	1,122,919
	<b>YEAR ENDED JUNE 30, 2024</b>		<b>201,917</b>	<b>104,210</b>	<b>110,300</b>	<b>6,090</b>

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5	LONG TERM INVESTMENTS	Note	2024 Rupees	2023 Rupees
	<b>At Amortised cost:</b>			
	GOP Ijara-Sukuk Bonds	5.1	<u>186,567,352</u>	<u>184,729,113</u>
			<u>186,567,352</u>	<u>184,729,113</u>
<b>5.1</b>	<b>Investments in GOP Ijara-Sukuk bonds</b>			
	Cost	5.1.1	180,000,000	180,000,000
	Premium paid on purchase		276,762	342,256
	Less: Amortization		<u>(157,664)</u>	<u>(95,493)</u>
		5.1.2	119,098	246,762
	Advance profit paid on purchase		407,352	983,664
			<u>180,526,450</u>	<u>181,230,426</u>
	Accrued profit	17.2	6,040,902	3,498,687
			<u>186,567,352</u>	<u>184,729,113</u>
<b>5.1.1</b>	<b>Cost</b>			
	Opening balance		180,000,000	135,000,000
	<b>Movement during the year:</b>			
	Add: Purchases	5.1.3	30,000,000	45,000,000
	Less: Redeemed		<u>(30,000,000)</u>	<u>-</u>
	Net movement		-	45,000,000
	Closing balance		<u>180,000,000</u>	<u>180,000,000</u>
<b>5.1.2</b>	<b>Premium paid on purchase</b>			
	Opening balance		246,762	169,756
	Less: Paid on redeemed bonds		-	-
	Add: Paid on new purchase bonds		30,000	172,500
	Less: Amotization during the year	5.1.3	<u>(157,664)</u>	<u>(95,493)</u>
			<u>119,098</u>	<u>246,762</u>
<b>5.1.3</b>	GOP Ijarah Sukuk bonds were purchased by the Company having face value of Rs. 30 million (2023: Rs. 45 million) during the year under report, at premium of Rs. 30,000 (2023: Rs. 172,500). This premium paid is being amortized over the remaining life of the bonds.			
<b>5.1.4</b>	These Ijara-Sukuk bonds are kept with State Bank of Pakistan under Statutory liquidatory reserves.			
<b>6</b>	<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>	Note	2024 Rupees	2023 Rupees
	Statutory liquidity reserve with SBP	6.1	9,706,434	28,861,365
	Deferred cost	6.2	11,678,374	7,172,618
			<u>21,384,808</u>	<u>36,033,983</u>
<b>6.1</b>	For carrying on business of currency exchange, the Company is required to maintain a Statutory liquidity reserve (SLR) equal to 15% (2021: 15%) of the issued share capital including the share capital of franchises, if any, with the State Bank of Pakistan in the form of "Unencumbered Approved Government Securities" under the rules and regulations of Exchange Policy Department. This reserve is in addition to the IASBs (Ref note 5.1.4).			

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6.2 Deferred Cost	Note	2024 Rupees	2023 Rupees
Opening balance		7,172,618	7,922,592
Addition during the year		<u>6,957,754</u>	<u>1,006,248</u>
		14,130,372	8,928,840
Amortized during the year	6.2.1	<u>(2,451,998)</u>	<u>(1,756,222)</u>
		<u><u>11,678,374</u></u>	<u><u>7,172,618</u></u>

**6.2.1** Major renovation and construction expenses incurred on rented premises to bring it into workable condition are capitalized. These expenditures are amortized over the expected useful life of the renovation.

7 DEFERRED TAX ASSET / (LIABILITY)	Note	2024 Rupees	2023 Rupees
Deferred taxation	7.1	<u>(418,906)</u>	<u>837,089</u>
		<u><u>(418,906)</u></u>	<u><u>837,089</u></u>

**7.1 Deferred taxation**

The liability / (asset) of deferred taxation comprises temporary differences arising due to:

**Taxable temporary differences:**

Unrealized exchange gain	<u>(1,255,995)</u>	-
	<u>(1,255,995)</u>	-

**Deductible temporary differences:**

Provision for gratuity	<u>837,089</u>	<u>837,089</u>
Deferred tax asset/ (liability) - net	<u>(418,906)</u>	<u>837,089</u>

**7.1.1 PARTICULARS**

	Net Asset / (Liability) Rupees
Balance as at July 01, 2022	721,165
Charged to profit & loss account	<u>115,924</u>
Balance as at June 30, 2023	837,089
Charged to profit & loss account	<u>(1,255,995)</u>
Balance as at June 30, 2024	<u><u>(418,906)</u></u>

**8 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**

	Note	2024 Rupees	2023 Rupees
Security and deposits		30,451,529	24,331,074
Other advances - unsecured		<u>7,564,454</u>	<u>9,488,558</u>
		<u><u>38,015,983</u></u>	<u><u>33,819,632</u></u>

**9 SBP INWARD INCENTIVE RECEIVABLE**

SBP inward incentive receivable	<u>58,813,292</u>	<u>167,598,968</u>
	<u><u>58,813,292</u></u>	<u><u>167,598,968</u></u>

**9.1** This amount represent accrued income under State Bank of Pakistans's (SBP) Promotion of Home Remittance Scheme. SBP through its EPD Circular Letter No. 03 of 2022, dated February 03, 2022 introduced Promotion of Home Remittances Scheme. Under this scheme Exchange companies are provided with an incentive of PKR 1 for each USD of home remittances surrendered in inter bank market Pakistan.

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		2024	2023
	Note	Rupees	Rupees
<b>10 PROVISION FOR TAXATION</b>			
Income Tax Payable at the beginning of the year		(29,242,216)	(45,444,265)
Income Tax Paid during the year		92,328,409	86,922,919
Amited Income Tax for the year 2022-23		25,008,565	42,483,053
Provision for taxation			
- Current year	22	(92,814,872)	(113,437,193)
- Prior year		1,505,710	233,270
		<u>(91,309,162)</u>	<u>(113,203,923)</u>
Income Tax Payable at the end of the year		<u>(3,214,404)</u>	<u>(29,242,216)</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand	11.1	370,029,991	354,378,668
Cash at banks	11.2	715,283,436	582,537,456
Foreign correspondents	11.3	345,746,941	163,166,073
		<u>1,431,060,368</u>	<u>1,100,082,197</u>
<b>11.1 Cash in hand</b>			
Cash in hand - head office		93,721,543	71,111,243
Cash in hand - branches		95,664,250	220,621,599
Foreign currency (in PKR)		180,644,198	62,645,826
		<u>370,029,991</u>	<u>354,378,668</u>
<b>11.2 Cash at banks</b>			
Cash at bank -current accounts		397,676,462	190,670,192
Foreign currency at bank (in PKR) - current accounts		317,606,974	391,867,264
		<u>715,283,436</u>	<u>582,537,456</u>
<b>11.3 Foreign correspondents</b>			
Balances with foreign correspondents		381,584,863	179,367,851
Outward remittance payable		(35,837,922)	(16,201,778)
		<u>345,746,941</u>	<u>163,166,073</u>
<b>12 SHARE CAPITAL</b>			
<b>12.1 Authorised capital</b>			
15,000,000 (2023:15,000,000) shares of Rs.100/- each		1,500,000,000	1,500,000,000
		<u>1,500,000,000</u>	<u>1,500,000,000</u>
<b>12.2 Issued, Subscribed &amp; Paid Up Capital - In cash</b>			
12,000,000 (2023:12,000,000) shares of Rs. 100/- each		1,200,000,000	1,200,000,000
		<u>1,200,000,000</u>	<u>1,200,000,000</u>
<b>12.2.1 Movement of share capital</b>			
Shares at the start of year		1,200,000,000	1,000,000,000
Bonus issued during the year		-	200,000,000
Total Issued, subscribed and paid up capital at the year end		<u>1,200,000,000</u>	<u>1,200,000,000</u>

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		2024	2023
	Note	Rupees	Rupees
<b>13 DEFERRED LIABILITIES</b>			
Deferred tax liability	7.1	418,906	-
Staff retirement benefits - Gratuity Scheme	13.1	2,886,514	2,886,514
		<u>3,305,420</u>	<u>2,886,514</u>
<b>13.1 Staff retirement benefits</b>			
<i>Provision for gratuity-</i>			
Opening balance		2,886,514	2,486,777
Provision for the year		-	399,737
		<u>2,886,514</u>	<u>2,886,514</u>
Paid during the year		-	-
Closing net liability		<u>2,886,514</u>	<u>2,886,514</u>
The Company, as per its policy, paid gratuity to eligible employess during the year under report, therefore, no provision was required.			
<b>14 DEFERRED GRANT</b>		2024	2023
	Note	Rupees	Rupees
Opening balance		-	656,052
Received during the year		-	-
Transfer to profit or loss during the year		-	(656,052)
Closing balance	14.1	-	-
Represented by:			
Non-current portion		-	-
Current portion		-	-
		<u>-</u>	<u>-</u>
<b>14.1</b>	Government grant has been recognized against loan obtained under the SBP refinance scheme of salaries and wages in lieu of below market interest rate. This loan was fully settled during the previous year.		
<b>15 TRADE AND OTHER PAYABLES</b>		2024	2023
	Note	Rupees	Rupees
Accrued liabilities	15.1	36,101,437	29,584,205
Bills payable - unsecured		11,948,529	4,704,179
Other payables	15.2	48,839,477	24,272,925
		<u>96,889,443</u>	<u>58,561,309</u>
<b>15.1 Accrued liabilities</b>			
Telephone, postage & telegrams		515,711	536,853
Directors' remuneration		1,200,000	1,200,000
Staff salary		29,355,635	22,956,809
Audit fee		850,000	630,000
Employee old age benefits		967,168	505,925
Social security		754,042	499,080
Utilities payable		2,458,881	3,255,538
		<u>36,101,437</u>	<u>29,584,205</u>

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	2024	2023
<b>15.2 Other payables</b>		
Income tax withheld	660,650	662,383
Other payables	5,216,610	1,757,190
T.T payable	42,424,750	21,067,132
Rent and rates payable	537,467	786,220
	<u>48,839,477</u>	<u>24,272,925</u>

**16 CONTINGENCIES & COMMITMENTS**

**16.1 Contingencies**

**16.1.1** Taxpayer has filed Application for Rectification u/s 221 for Tax Year - 2010, 2011, 2012 and 2013 respectively, which are still pending for final decision by the Commissioner FBR. The outcome of such Applications effected only for Tax Year - 2013 by creating Liability of Rs. 1,573,272 in veiw of legal advisor of the companythe case will hopefully be dismissed and company will not be liable to pay any amount in this regard. Therefore, no provision in this regard has been made in this financial statements,

**16.1.2** The Company has filed Second Appeals filed u/s 131 for Tax Year- 2010, 2011 & 2012 against Order passed u/s 161/205 which is yet not fixed pending for final hearing by the Appellate Tribunal.

**16.1.3** The Company has filed 2nd appeal u/s 131/161/205 for the Tax Year 2013 against disputed tax demand of Rs. 8.81 million. It is also noted that second appeal filed before ATIR-Islamabad since 08-04-2020 on the basis of remand back cause for vexing taxpayer twice for the same cause. Therefore, no provision in this regard has been made in these financial statements.

**16.1.4** The Company has filed 2nd appeal u/s 131/161(1) for tax year 2016 against dispusted tax demand of Rs. 29.63 million. It is also noted that 2nd appeal filed before ATIR-Lahore since 08-04-2020 on the basis of remand back cause for vexing taxpayer twice for the same cause. Therefore, no provision in this regard has been made in these financial statements.

**16.1.5** There is no matter/case is pending adjudication. However, an amount of Rs. 300,000 had been deposited on the direction of Lahore High Court as surety in a case title as Dollar East Exchange Company (Private) Limited vs presiding officer District Consumer Court Sailkot etc. The said amount is recoverable

**16.2 Commitments**

The Company has no commitments as at June 30, 2024

17 REVENUE	Note	2024 Rupees	2023 Rupees
Exchange gain		724,951,585	588,700,935
Commission		203,581,269	194,009,601
SBP inward incentive scheme	9.1	172,398,668	203,995,548
Profit on investment against SLR	17.1	40,714,553	22,212,628
		<u>1,141,646,075</u>	<u>1,008,918,712</u>

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		2024	2023
	Note	Rupees	Rupees
<b>17.1 Profit on investment, against SLR</b>			
Income on Ijarah Sukuk bonds	17.2	40,714,553	22,212,628
		<u>40,714,553</u>	<u>22,212,628</u>
<b>17.2 Income on Ijara Sukuk Bonds</b>			
Mark up received during the year		38,172,338	20,929,927
Adjustment of mark up for prior period		(3,498,687)	(2,215,986)
Net mark up received		34,673,651	18,713,941
Add: accrued mark up	5.1	6,040,902	3,498,687
		<u>40,714,553</u>	<u>22,212,628</u>
<b>18 ADMINISTRATIVE EXPENSES</b>			
Director's remuneration	18.1	19,241,997	18,642,000
Salaries, wages and benefits	18.2	421,017,930	337,607,899
Advertisement	18.3	22,996,398	4,933,013
Postage, telegram & telephone		11,001,000	9,116,033
Legal & professional charges		5,555,768	5,595,851
Auditor's remuneration	18.4	850,000	630,000
News papers and periodicals		85,650	75,985
Travelling and conveyance		2,561,433	2,291,189
Printing and stationary		13,114,863	12,999,753
Rent, rates and taxes		92,090,714	76,703,090
FC rates screen expense		2,149,329	1,728,474
Entertainment		55,149,464	39,669,836
Utilities	18.5	56,179,847	46,315,134
Vehicle running and maintenance		46,030,080	38,817,211
Repair and maintenance		6,189,015	9,362,330
Import and export of currency expenses		58,706,998	45,829,513
Depreciation	4	12,663,308	13,343,762
Amortization of renovation	6.2	2,451,998	1,756,222
Security expenses		1,171,943	1,749,116
Donations	18.6	1,995,000	5,240,140
Web site expenses		4,626,060	1,755,148
State Bank of Pakistan penalty		500,000	275,000
Staff training and development		629,002	1,431,690
Amortization of investments	5	157,664	95,493
Miscellaneous		4,196,588	2,589,224
Biometric verifications expense		786,876	1,127,530
Uniform & Accessories Expense		1,639,476	1,039,660
		<u>843,738,401</u>	<u>680,720,296</u>

**18.1 Remuneration of Chief Executive and Directors**

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Remuneration	3,927,273	3,305,455	13,090,909	13,090,909	47,716,364	22,049,455
Medical	392,727	330,545	1,309,091	1,309,091	4,771,636	2,204,945
Other	521,997	606,000	-	-	6,788,333	4,042,400
	<u>4,841,997</u>	<u>4,242,000</u>	<u>14,400,000</u>	<u>14,400,000</u>	<u>59,276,333</u>	<u>28,296,800</u>

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	Note	2024 Rupees	2023 Rupees
<b>18.2 Salaries, wages and benefits</b>			
Salaries, wages and benefits		403,176,697	324,810,777
Employees old age benefits expense		9,486,478	6,665,619
Social security expense		8,354,755	6,131,503
		<u>421,017,930</u>	<u>337,607,899</u>
<b>18.2.1</b>			
Staff salaries & benefits include Rs. 25,865,730/- in respect of staff retirement benefits - gratuity.			
<b>18.3</b>			
During the year, the Company incurred marketing expenses of Rs. 22,996,358/- (2023: Rs.4,933,013). Out of the total expense the State Bank of Pakistan reimbursed an amount of Rs. Nil (2023: Rs. 26,754,482/-) in line with EPD Circular Letter No. 08 of 2021 dated July 02, 2021 pertaining to incentive scheme for marketing of home remittances.			
<b>18.4 Auditor's remuneration</b>	Note	2024 Rupees	2023 Rupees
Audit fee		750,000	550,000
Out of pocket expenses		100,000	80,000
		<u>850,000</u>	<u>630,000</u>
<b>18.5 Utilities</b>			
Electricity expense		33,440,805	26,970,773
Gas expense		499,990	275,858
Generator expense		6,301,725	7,581,405
UPS expense		793,023	565,387
Internet expenses		11,597,007	7,860,830
Drinking water expense		1,060,473	932,522
Cleaning and hygiene		2,486,824	2,128,359
		<u>56,179,847</u>	<u>46,315,134</u>
<b>18.6 Donations</b>			
Roshni Homes Trust		1,000,000	-
Idara Tul Mustafa Trust		-	2,500,000
Alkhidmat Foundation Pakistan		995,000	2,500,000
Others		-	240,140
		<u>1,995,000</u>	<u>5,240,140</u>
<b>19 OTHER OPERATING EXPENSES</b>			
Other operating expenses		-	-
		<u>-</u>	<u>-</u>
<b>20 OTHER INCOME</b>			
Gain on sale of fixed assets		6,090	1,122,919
SBP Incentive Home Remittance		-	26,754,482
Miscellaneous income		350,053	455,773
		<u>356,143</u>	<u>28,333,174</u>
<b>21 FINANCIAL CHARGES</b>			
Bank charges		4,386,325	12,975,560
Interest expense		-	399,913
		<u>4,386,325</u>	<u>13,375,473</u>

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22 TAXATION	Note	2024 Rupees	2023 Rupees
Current Tax	10	92,814,872	113,437,193
Prior year		(1,505,710)	(233,270)
		91,309,162	113,203,923
Deferred Tax	7	1,255,995	(837,089)
		<u>92,565,157</u>	<u>112,366,834</u>

**22.1 Relationship between tax expense and accounting profit**

Numerical reconciliation between average effective tax rate and the applicable tax rate:

**Applicable tax rate**

Tax using the Company's domestic tax	29.00%	29.00%
Effect of admissible / inadmissible expenses	0.05%	0.00%
Effect of prior year	-0.51%	-0.07%
Effect of Super tax	2.96%	4.00%
Other	0.00%	-0.19%
Average effective tax rate	<u>31.50%</u>	<u>32.75%</u>

**23 EARNINGS PER SHARE - BASIC AND DILUTED**

Profit after taxation	Rupees	<u>201,312,335</u>	<u>230,789,283</u>
Weighted average number of shares	Number	<u>12,000,000</u>	<u>12,000,000</u>
Earnings per share - basic and diluted	Rupees	<u>16.78</u>	<u>19.23</u>

**Diluted earning per share**

The Company has not issued any instrument carrying options which would have a dilutive impact on earnings per share, when exercised, therefore, the earnings per share and diluted earnings per share remain the same.

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**24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

DESCRIPTION	INTEREST / MARK UP BEARING			NON INTEREST / MARK-UP BEARING			TOTAL	
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	2024	2023
-----RUPEES-----								
<b>FINANCIAL ASSETS</b>								
Long term investments	-	186,567,352	186,567,352	-	-	-	186,567,352	184,729,113
Long term deposits	-	-	-	-	9,706,434	9,706,434	9,706,434	28,861,365
Trade deposits and short term prepayments	-	-	-	38,015,983	-	38,015,983	38,015,983	33,819,632
Bank balances	-	-	-	1,061,030,377	-	1,061,030,377	1,061,030,377	745,703,529
	-	186,567,352	186,567,352	1,099,046,360	9,706,434	1,108,752,794	1,295,320,146	993,113,639
<b>FINANCIAL LIABILITIES</b>								
Trade and other payables	-	-	-	96,889,443	-	96,889,443	96,889,443	58,561,309
	-	-	-	96,889,443	-	96,889,443	96,889,443	58,561,309

**24.1 Financial Instruments and Financial risk management**

The Company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner:

**24.1.1 Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting if counter parties fail to perform as contracted. The Company does not have any significant exposure to individual customer.

**24.1.2 Interest Rate Risk**

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

The Company is exposed to interest rate risk on investment in GOP-Ijarah Sukuks. Investment in GOP-Ijarah Sukuk is at variable rates expose the Company to cash flow risk and borrowing is at fixed rate expose the Company to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of investments. At June 30, 2024, the Company's interest bearing financial assets amounted to Rs.186,567,352/- (2023: Rs.184,729,113/-).

At June 30, 2024, if the interest rate on the Company's investment had been 1% higher / lower with other variables held constant, profit before tax for the year would have been higher / (lower) by Rs.1,865,674/- (2023: Rs.1,847,291/-) mainly as a result of higher / (lower) interest income.

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**24.1.3 Foreign Exchange Risk**

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates. The Company operates as a exchange company and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company's exposure to foreign currency risk for cash and bank balances in foreign currency at the reporting date is as follows:

	2024			2023		
	Quantity	Rate	5 % Variance*	Quantity	Rate	5 % Variance*
AED (UAE Dirham)	187,748.13	75.78	711,381	(16,528.92)	77.86	(64,349)
AUD (Australian Dollar)	3,315.00	184.61	30,599	(31,590.00)	191.73	(302,834)
AZN (Azerbaijani Manat)	782.00	140.00	5,474	13.00	102.00	66
BHD (Baharaini Dinar)	3,321.00	738.35	122,604	139.00	758.60	5,272
BRN (Brazilian Real)	47.00	14.51	34	-	-	-
CAD (Canadian Dollar)	10,400.00	203.01	105,567	400.00	217.84	4,357
CHF (Swiss Franc)	9,940.00	309.41	153,775	110.00	319.75	1,759
CNY (Chinese Yuan)	5,949.00	38.31	11,394	14,675.00	39.67	29,108
DKK (Danish Krone)	-	-	-	58,000.00	42.02	121,846
EURO	40,986.06	297.69	610,049	9,911.06	312.93	155,074
GBP (Pound Sterling)	(25,273.70)	351.92	(444,717)	(2,103.70)	364.14	(38,302)
HKD (Hong Kong Dollar)	750.00	35.65	1,337	50.00	36.52	91
IQD (Iraqi Dinar)	75,000.00	0.79	2,944	105,000.00	0.79	4,121
JPY (Japanese Yen)	438,000.00	1.73	37,883	-	-	-
KRW (South Korean Won)	161,000.00	0.20	1,624	11,000.00	0.22	121
KWD (Kuwaiti Dinar)	2,276.25	907.24	103,255	155.50	930.71	7,236
MYR (Malaysian Ringgit)	23,188.92	59.00	68,410	25,111.00	61.31	76,972
NZD (New Zealand Dollar)	110.00	168.91	929	-	-	-
OMR (Omani Ria)	4,232.39	722.94	152,987	70.00	742.87	2,600
QTR (Qatari Rial)	8,679.00	76.35	33,131	469.00	78.51	1,841
SAR (Saudi Riyal)	895,180.00	74.19	3,320,881	112,458.00	76.25	428,769
SEK (Swedish Krona)	8,380.00	26.13	10,950	57,440.00	20.01	57,466
SGD (Singapore Dollar)	4,052.00	205.11	41,555	-	-	-
STP (Scotish Pound)	915.00	344.12	15,743	10.00	212.00	106
THB (Thai Baht)	39,120.00	7.56	14,794	44,850.00	8.12	18,214
TRL (Turkish Lira)	39,355.42	8.45	16,634	15,555.00	11.04	8,586
USD (US Dollar)	2,662,189.7	278.34	37,049,854	2,126,938.53	285.99	30,414,211
ZAR (South African Rand)	27,270.00	15.28	20,836	510.00	15.47	394
<b>Total</b>	<b>4,626,913.19</b>		<b>42,199,905.64</b>	<b>2,532,642.47</b>		<b>30,932,726</b>

**DOLLAR EAST EXCHANGE COMPANY (PRIVATE) LIMITED**  
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\*At June 30, 2024, if the Pakistani Rupee had strengthened / weakened by 5% against above currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gains / (losses) on translation of foreign denominated financial assets and liabilities.

**24.1.4 Liquidity Risk**

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available. Financial liabilities in accordance with their contractual maturities are presented below:

PARTICULARS	2024			2023		
	Carrying amount	Contractual cash flows	Less than 1 year	Carrying amount	Contractual cash flows	Less than 1 year
	-----Rs.-----			-----Rs.-----		
Trade and other payables	96,889,443	96,889,443	96,889,443	58,561,309	58,561,309	58,561,309
Current portion of deferred grant	-	-	-	-	-	-
	<u>96,889,443</u>	<u>96,889,443</u>	<u>96,889,443</u>	<u>58,561,309</u>	<u>58,561,309</u>	<u>58,561,309</u>

**24.2 Capital Risk Management**

The company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debts. The gearing ratio as at period ended June 30, 2024 and June 30, 2023 are as follows:-

	2024 Rupees	2023 Rupees
Total borrowing	-	-
Total equity	1,700,952,396	1,499,640,061
Gearing ratio	<u>0%</u>	<u>0%</u>

**24.3 Fair Value of Financial Instruments**

The carrying amounts of financial assets and financial liabilities approximate their fair values.

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**25 RELATED PARTY TRANSACTIONS**

The related parties and associated undertakings comprise, associated companies, companies in which directors are interested, directors and key management personnel's. The Company in the normal course of business carries out transactions with various related parties. It has a policy whereby all transactions with related parties are entered into at arm's length prices. Remuneration of Chief Executive and Directors is disclosed in Note 18.1. Disposal of vehicles to employees are disclosed in Note 4.1. Other transactions with related parties during the period are as follows:-

Name of Related Party	Basis of Relationship	Nature of transaction	2024 Rupees	2023 Rupees
Muhammad Rizwan	Acting CEO	Remuneration	4,841,997	4,242,000
Ihsan-ul-Haq Abbasi	Director	Remuneration	7,200,000	7,200,000
Hafeez-ur-Rehman	Director	Remuneration	7,200,000	7,200,000
Roshni Homes Trust	Common Management	Donation	1,000,000	-
Chain Designer (Pvt.) Limited	Common Shareholders	Rent	1,717,286	1,707,015
			<b>2024 Number</b>	<b>2023 Number</b>
			<u>517</u>	<u>503</u>
			<u>510</u>	<u>500</u>

**26 NUMBER OF EMPLOYEES**

Number of employees at the end of the year  
Average number of employees during the year

<u>517</u>	<u>503</u>
<u>510</u>	<u>500</u>

**27 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of better comparison. Following reclassifications have been made:

Reclassified from	Recalssified to	Amount
Salaries,wages and benefits	Directors' remuneration	4,242,000

**28 DATE OF AUTHORIZATION OF ISSUE**

The financial statements were authorized for issue by the Board on 30 September 2024.

**29 GENERAL**

-Figures have been rounded off to the nearest rupee.

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CHIEF EXECUTIVE OFFICER

  
DIRECTOR